

# Uruguay

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## Latin America's rising star

### Uruguay and China prepare to celebrate 25 years of excellent bilateral relations

With a strategic location and a growing reputation as the gateway to Latin America and the massive Mercosur market of 500 million people, Uruguay is attracting record foreign direct investment (FDI) as investors race to take advantage of the country's excellent infrastructure and highly-skilled workforce.

Home to 3.5 million people, Uruguay has recorded average annual GDP growth of 5.3 percent since 2003, thanks to a political stability that has enabled its export-oriented economy to flourish.

Rich in natural resources, Uruguay's economy is focused on the production and export of beef, grains, dairy goods, wool and agricultural products.

President José Mujica Cordano and Vice-President Danilo Astori have positioned Uruguay as a safe and secure investment destination through modern reforms and public-private partnerships.



**Mario Bergara, President of Central Bank of Uruguay**

and the leading foreign purchaser of products like wool, soybean and paper pulp. In 2011, Chinese-Uruguayan trade reached \$3.4 billion, 20 times more than in 1988.

In June 2012, Chinese Premier Wen Jiabao traveled to Uruguay's capital Montevideo to meet leaders

"Uruguay has huge potential and many investment opportunities. Transport, ICT, port services and energy are key sectors for investment partners. We respect international law and offer a range of investment incentives. China is our second largest trading partner and is a major investor, particularly in automotive manufacturing, so China's presence is very important and together we have achieved substantial growth."

A key player behind this successful international trade partnership is the Chamber of Commerce Uruguay-China which was formed in 1986 to strengthen and expand trade between the two countries across all sectors, industries and markets.

"There is fluid and permanent contact with China," said Chamber President, Eduardo Pietra. "Uruguay has the reputation of a serious country where laws are followed and contracts are honored. There is an open market where entry and exit of money and foreign currency is absolutely free and that makes it very attractive."

With the global financial crisis continuing to limit investment opportunities in the Eurozone and the US, Uruguay is taking its own advantage to expand its reach to other major international markets to remain competitive and make its presence felt on the world stage. In April 2012, Uruguay's credit rating was raised to investment grade status BBB- by Standard & Poor's.

The Central Bank of Uruguay has helped the government create a stable and transparent economy



Uruguay's Vice-President Danilo Astori greets Chinese leader Xi Jinping during a meeting.

PHOTO PROVIDED TO CHINA DAILY

**Uruguay has huge potential and many investment opportunities. Transport, ICT, port services and energy are the main sectors where we are seeking investment partners."**

DANILO ASTORI, URUGUAYAN VICE-PRESIDENT

A key strategic partner is the People's Republic of China and in February 2013 the pair will celebrate the 25th anniversary of bilateral relations. China is Uruguay's second largest trade partner after Brazil

and strengthen ties. Hailing his visit as "milestone", Vice-President Astori said he wants China to participate in major infrastructure projects like a new deepwater port and railway system.

that is diversifying with the help of foreign investors tempted by the lucrative investment openings and pro-business environment.

"Uruguay is a wonderful platform for FDI because of its political institutions, rules and enforcement of contracts. It is also a great business platform from which to access Latin America and the world" stated Central Bank of Uruguay President Mario Bergara. "We offer stability and enjoy an excellent reputation for transparency."

InFocus provided the story

#### Uruguay At A Glance

(Source: Uruguay XXI)

**Location:** South America, bordering Argentina and Brazil  
**Capital:** Montevideo  
**Land Area:** 176,251 km<sup>2</sup> (95 percent of territory has soil suitable for agriculture and livestock activities.)  
**Population (2011):** 3.4 million  
**Population growth (2011):** 0.4 percent (annual)  
**Per-capita GDP (2011):** \$13,861  
**Currency:** Uruguayan Peso (\$) **Literacy:** 98 percent  
**Life Expectancy:** 77 years  
**Government:** Democratic republic with Presidential system  
**Time Zone:** GMT -03:00  
**Official Language:** Spanish

## Digital revolution connects continents

### As a competitive and business-friendly ICT hub, Uruguay is the natural gateway to Latin America

The Uruguayan and Chinese economies complement each other perfectly, with the former a leading producer of food and provider of world-class services required by the latter's giant industrial and commercial base and fast-growing con-

on South America's Atlantic coast) and next-generation ICT systems make it a highly competitive services platform.

Uruguay XXI, the country's investment and export promotion agency, is spearheading efforts to

tives will participate in four major trade fairs in China this year to promote the "Uruguay Natural" brand that highlights its wonderful natural resources and quality of life.

"Uruguay is a great gateway to Latin America and can be a very interesting logistics hub for Chinese companies that want to operate locally and sell their goods here and elsewhere on the continent," said Uruguay XXI Executive Director Roberto Villamil.

"The country leads the way in many regional rankings. It offers legal certainty, institutional security, low levels of corruption, a well-trained workforce and good quality of life, as well as a strategic logistics location with economic transparency and tax benefits for investors.

"It is the perfect base for Chinese companies wanting to do business in Latin America."



**Carolina Cosse, President of Antel**

Uruguay's modern transport infrastructure is supported by efficient state-of-the-art ICT networks that provide businesses with fast and reliable fixed line, mobile and Internet access that is the backbone of commerce in the 21st century.

The forward-thinking and publicly owned telecommunications provider, Antel offers fast, efficient, reliable and competitively priced telecommunications services. The leading promoter of social and eco-

nom development through the provision of ICT networks that use Chinese-made fiber-optic technology, Antel expects its turnover to surge at least 10 percent year-on-year in 2012.

Uruguay's ICT systems are the most advanced in Latin America. It has the highest rate of Internet users — nearly 60 percent — on the continent and high rates of mobile phone ownership and computer penetration in homes.

Central Bank of Uruguay President Mario Bergara believes heavy investment in modern ICT systems is one of the key factors for the continued success of the banking and financial services industry and has given the national financial system a platform on which to flourish.

"Our telecommunications infrastructure is very good, with digital communications networks and good competition," he said.

Central Bank data shows the export of services, including business, computer and information services, jumped six-fold between 2003 and 2011 to \$4.2 billion and

the country is now a leading regional exporter of computer software, with its programs in smartphone and tablet technology used by consumers in China and other countries.

Antel has invested huge sums in the latest fiber-optic technology and connected more than 240,000 homes to that network since October 2010.

Antel's popular "Move Forward Together" slogan emphasizes its commitment to bring the best technology to as many individuals, schools and businesses as possible. As Uruguay looks to become the region's ICT hub, the company is eager to team up with Chinese businesses to share market and technological know-how.

"Uruguay is in a cutting-edge position in the field of telecommunications in Latin America," said Antel President Carolina Cosse.

"We have a Tier III data center — an internationally recognized standard — which we are currently expanding."

InFocus provided the story

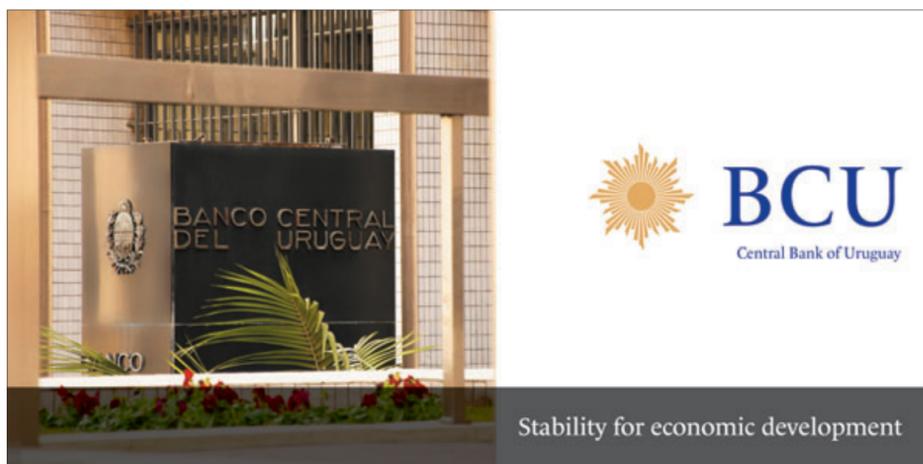
**Uruguay is the perfect base for Chinese companies wanting to do business in Latin America."**

ROBERTO VILLAMIL, EXECUTIVE DIRECTOR OF URUGUAY XXI

sumer society. Uruguay also offers duty-free access to the massive Brazilian and Argentinian markets and benefits from a free trade agreement with Mexico, while its modern transport and port infrastructures, free trade air- and seaport zones (Montevideo is the only free port

internationalize the economy by strengthening Uruguay's image abroad and promoting its many enviable assets to investors.

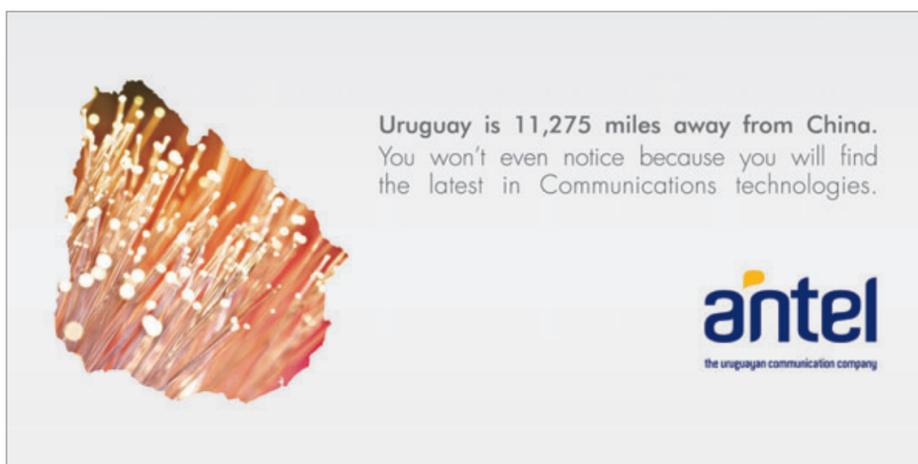
Formed in 1996, the agency attends many leading international trade shows and events around the world and its teams of representa-



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# Solid financial system

## Uruguay's modern and transparent banking sector is growing at a robust rate

With a focus on corporate banking and project finance, Banco Santander Uruguay is the country's largest private bank and a recognized leader in the republic's well-regulated, transparent and fast-growing banking and financial services sector.

Boasting a significant share of the loans and deposit markets, the forward-thinking bank is part of the world-renowned Grupo Santander and offers businesses and individuals an extensive range of financial services through its diverse portfolio of financial products.

For commercial customers, these include varying sizes of lines of credit for large, small and medium-sized enterprises, cash management services like payroll payments, trade services such as import and export documentation and assistance. While for private customers, the bank offers a range of current and savings accounts, credit cards, loans, mortgages and financial products targeted at university students.



**Juan Carlos Chomali, General Manager of Banco Santander Uruguay**

from the country's socioeconomic success.

The bank is at the forefront of private sector efforts to attract billions of dollars of FDI to Uruguay particularly investment from countries like China that have played such a

stated Juan Carlos Chomali, Banco Santander Uruguay general manager. "There are important legal guarantees and macroeconomic stability in Uruguay – two vital factors for doing business in any country.

"The biggest part of our operation remains corporate banking which is responsible for 51 percent of our business, but our overall aim is to achieve equality between our corporate banking and retail banking operations. The critical mass in corporate banking, the know-how, clients and contacts of the group worldwide are all key factors.

### Liquid financial system

"This is a banking sector with experience of crisis and this is very valuable," Chomali said in reference to the economic crisis that engulfed the country around a decade ago but from which it has bounced back strongly. Now, Uruguay has a healthy credit rating and savings ... and a liquid financial system that is capable of putting up with any future crisis.

"Banco Santander has a business model based on subsidiaries that are autonomous in terms of capital and liquidity, which leaves the decisions to a steering committee and local board. This business model allows for greater diversity and flexibility in their funding sources, capital and profits."

According to the senior executive, Latin America now accounts for half of the global group's worldwide profits. The past year has been very good to us; the business margin increased by 40 percent compared to the previous year," Chomali added.

Focusing on the sort of welcome Chinese businesses can expect in Uruguay, he added: "A Chinese company that wants to develop a project in Uruguay simply needs to call and they will receive a great reception."

*InFocus provided the story*

**A Chinese company that wants to develop a project in Uruguay simply needs to call and they will receive a great reception."**

JUAN CARLOS CHOMALI,  
BANCO SANTANDER URUGUAY GENERAL MANAGER

In addition, the award-winning bank offers a range of specialist fiscal products for farmers and agricultural enterprises. These include pre-approved credit and financial plans for the purchase of machinery and vehicles such as tractors, and generous credit packages that are timed to coincide with the farming seasons and harvests.

Given its impressive reputation and financial performance in Uruguay over the past few years, Banco Santander Uruguay is ideally-positioned to take advantage of the many commercial opportunities that arise

leading role in the socioeconomic development of nations' economies around the world.

In a further sign of its ambition to become the number one bank in the country and repeat its success elsewhere in Latin America and Europe, Banco Santander Uruguay is also targeting high-income earners. The bank offers a broad range of tailor-made investments and solid financial products under its "Van Gogh" preferred banking services package.

"Banco Santander is the bank that best understands Latin America,"



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Frigerífico San Jacinto is a leading exporter of gourmet beef and lamb brands El Rancho and Nirea.

# Meat sector has a taste of success

## Uruguay's premium-quality beef and lamb are among world's best produce say cattle farmers

Blessed with a climate and terrain perfect for cattle grazing and the production of fine meat, Uruguay has three times as many cows as people and its long-established beef industry nurtures the country's most important export product.

With meat an important part of the national identity, it is not surprising that the country holds the Guinness world record for the largest barbecue ever made, from 13 tons of steel and 12,000 kilos of beef.

Uruguay's meat industry boasts a highly-efficient and reassuring tracking system and traceability mechanisms that allow farmers and handlers to track individual animals throughout the bovine's lifetime.

Animals are reared naturally and with no growth hormones as this is outlawed, and the country's agro-industrial chain benefits from an institutional framework that ensures the health of animals, meat safety and commercial quality required by buyers.

In 2011, more than 50,000 farmers and around 40,000 livestock producers generated more than 600,000 tons of meat, of which around 450,000 tons were exported and produced foreign exchange revenues of over \$1.6 billion.

China is a leading importer of Uruguayan beef and livestock-related products such as wool, leather and fur. Other key markets include Russia, the EU and the vast Mercosur market.

"Uruguay exports 70 percent of its meat, 75 percent of its milk, 95 percent of its rice, 70 percent of its wheat, 97 percent of its soybeans and 50 percent of its citrus fruit," said Tabare Aguerre, minister of Livestock, agriculture and fisheries.

"The diversity of our livestock and agricultural products makes us competitive, while our successful animal identification system has helped the meat industry develop at a rapid rate. This traceability system is a powerful tool for disease control and the technology also enables us to control the quality."

Created in 1984, the National Meat Institute, also known as INAC, advises the government on all meat industry matters and is responsible for promoting, regulating, coordinating and monitoring the production, processing, marketing, storage and transportation of meat.

"We are focusing on producing



**Luis Fratti, Chairman of INAC**

excellent value-added products and are targeting niche markets where consumers are willing to pay extra for the additional taste and quality," said Luis Fratti, INAC chairman.

Chinese Premier Wen Jiabao was served a fine cut of Uruguayan beef during his recent visit to Montevideo and INAC also exhibited at a major trade expo in Shanghai earlier this year where thousands of delegates enjoyed its wide range of meat. Uruguayan beef exports to China are currently worth around \$112 million per year.

As the host of the 2016 World Meat Congress, Uruguay is looking forward to showcasing its premium

benefits from direct and personalized contact with producers, exchanging key information for the continuous improvement in the quality of the meat it processes.

With an outstanding reputation among local and foreign consumers, San Jacinto has grown into one of Uruguay's most successful exporters of bovine meat and this success has been repeated in the lamb sector through the production of premium lamb cuts.

"Nirea boasts the most modern and technologically advanced lamb production plant in South America," said Vice-President Gastón Scayola.

In 1996, the company launched its Heavy Lamb Program for lambs whose carcass weight 13-20 kilograms, resulting in an exquisite flavor and excellent size for its eye of loin and other cuts.

"The heavy lamb market is very important to us," Scayola said "We have always been pioneers and are now one of the main producers in South America, thanks to our dedication to the meat and investment in technology.

"Our product goes to top restaurants and the gourmet sector in the world's most discerning countries: US, Brazil, Russia, China and nations

**Our premium quality product goes to top restaurants and the gourmet sector in the world's most discerning countries: US, Brazil, Russia, China and nations in the EU."**

GASTÓN SCAYOLA,  
FRIGERIFICO SAN JACINTO – NIREA S.A. VICE-PRESIDENT

meat products to the most important figures in the global industry, especially as the 2014 edition will be held in Beijing.

### Premium producer

Dedicated to the production of world-class beef, lamb and other meats, Frigerífico San Jacinto-Nirea S.A. is a leading figure in Uruguay's meat industry and the company's Nirea and El Rancho brands are sold widely in many international markets.

The forward-thinking company supplies leading restaurant chains elsewhere in Latin America with its award-winning range of fine meats that are 100 percent sourced from local cattle ranches.

Through investment in modern technology and an exclusive network of livestock buyers, San Jacinto

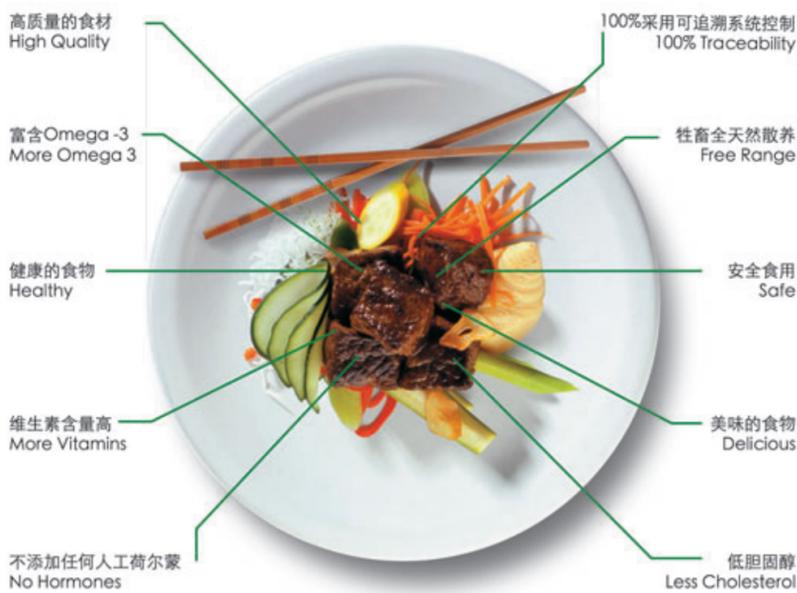
in the EU. New Zealand has 300,000 tons of quota in Europe, Australia has 300,000 tons of quota in the US. We are the third because we do not consume lamb meat domestically and we export it. Nirea's extra taste and quality is already recognized in Brazil and in Europe where we have the largest quota for Uruguayan lamb."

San Jacinto is now aiming to reinforce its position as one of Uruguay's top five meat producers and its largest lamb producer, while maintaining strict quality control measures and commitment to farmers, customers, industry officials and the environment.

"China is the market with the greatest possibilities for growth," Scayola said.

*InFocus provided the story*

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Frigerífico San Jacinto – Nirea S.A. is located in Uruguay, a country with natural pastures and crystalline water, where growth hormones are prohibited by national law. With a low population density (20 people per km<sup>2</sup>) there is enough land to raise cattle grazing in open pastures (1 animal per hectare). Our Company is one of the most important bovine meat exporters and leader in the production of Premium Lamb cuts.

www.nirea.com



Alejandro Bulgheroni, president and owner of Agroland S.A.

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Garzón is Agroland's best-selling brand of premium quality wine.

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# Wine and olive oil create recipe for success

## Ambitious Agroland sets its sights on Chinese consumers after outstanding first decade

With roots stretching back to the turn of the millennium when the first seeds were sown in Punta del Este's fertile soil, Agroland S.A. has blossomed into an agricultural paradise where nature and farming expertise combine to produce fine wine, olive oil and nuts.

Undoubtedly one of Uruguay's most prolific success stories, Agroland has transformed mile after mile of rolling countryside into a self-sufficient wine and food producing region that has attracted the attention of upscale consumers in countries around the world, including China.

Often referred to as the "Tuscany of Uruguay" by Agroland's visionary creator and president, Alejandro Bulgheroni, the project's 4,000 hectares feature vineyards, olive groves, almond plantations and vast herds of livestock such as beef cattle.

In early 2013, a next-generation winery and several stylish restaurants will open, along with a visitor center that will showcase the exciting and innovative project to thousands of tourists who flock to the area each year to enjoy its warm climate, spectacular views and wonderful cuisine.

Blessed with a well-drained soil and cool Atlantic Ocean breeze, Agroland boasts an excellent climate for wine growing. With the average size of each vineyard less than one acre, the project features hundreds of small vineyards mixed with small woods, big rocks and natural palms.

"Agroland is the materialization of a dream that my wife, Bettina, and I shared," explained President Bulgheroni. "Back in 1999, we discovered Garzón, a really

old part of Punta del Este which became the 'small Tuscany in Uruguay' for us.

"We have a combination of the flavors of Italian ancestry with the local air, in a really exquisite place and we produce food for the most demanding tastes.

"The area's geography combines hills, brooks and streams which fall over the flatland and stretch out towards the sea. This beautiful scenery inspired the growth of Agroland and offers an extraordinary environment for our plantations which complement the area's natural beauty."



**For the fifth consecutive year, our extra virgin oil has received more awards on an international level than any other Uruguayan company."**

ALEJANDRO BULGHERONI  
AGROLAND S.A. PRESIDENT

According to the dynamic entrepreneur, Agroland has been able to evolve so quickly thanks to a series of ambitious agro-industrial projects in the Latin American nation, the United States and several countries in Europe.

"These projects use state-of-the-art technology and our values are based on taking care of the environment, including the development of vineyards, olive plantations, cultiva-

tion of berries, fine fruit and dried fruit, forestry, dairies, cattle-raising, organic fertilizers, biodiesel, wind energy and biomass," Bulgheroni added.

"We are able to place on the market excellent high quality products. Our main contribution is that we took the risk of investing in new productions in a new location. This success has encouraged investors to take risks as well 'on the basis of something sure' and cultivated lands are expanding across the region and the country."

### Quality, not quantity

With a focus on the creation of premium brands, Agroland is a leading producer of high quality wines destined for international markets. The company's "quality, not quantity" approach is centered on the specific kind of soil that gives the wines such a rich and unique flavour.

The group's first vineyard was planted in 2007 and by the end of 2012 the firm had 180 hectares. Over the next two years this total will gradually increase to 240 hectares. "I would describe our wines as a blend of Tuscany, Burgundy and California," Bulgheroni commented.

"Our goal is to make premium wines with strong identity, personality, and a sense of place. Our message is Uruguay can make premium wines and we will see that it is acknowledged worldwide."

When it came to selecting varieties of wine, Agroland decided to focus on Tannat for the reds and Albariño for the whites as "the Tannat really does well in this climate while the Albariño is also developing well".

"We also thought other grapes could do well here, for instance, Merlot, Cabernet Franc, Pinot Noir, Marselan and Caladoc for reds, and Sauvignon Blanc, Pinot Grigio, Viognier and Petit Manseng, for the whites. All the grape varieties should do well in this environment. The idea is to make a distinctive Tannat, which could become what the Argentinian Malbec has become over the last decade."

Agroland also stands proudly at the forefront of Uruguay's olive oil industry. The pioneering firm has won many top international awards and was recently named the world's sixth best extra virgin oil production company by an industry body.

Uruguay will soon become a member of the International Olive Oil Council in a move that will guarantee the quality of olive oil through manufacturing and certification procedures that will be in accordance with international industry standards.

"At present, Agroland has a total of 550 hectares with olive trees planted, of which 450 hectares involve the production of extra virgin oil and are located in our exclusive 'boutique' factory Colinas de Garzón," Bulgheroni revealed.

"The remaining 100 hectares are for table olives; which is a project that we started recently – complementing a family of high quality products. We have 3,000 additional hectares of olive trees through our associated company Nuevo Manantial; 1,000 hectares of which are already producing olives.

"We have a unique high quality product and are developing highly demanding trade channels and our produce is reaching large-scale markets like the US, China, Russia and Brazil.

"We are also developing an off-season market for the most demanding European customers, which, thanks to our high quality extra vir-

gin oil, would have new oil available throughout the year, having been produced only six months earlier. In 2012, Colinas de Garzón won more than 20 international awards, which meant that for the fifth consecutive year our extra virgin oil received more awards on an international level than any other Uruguayan company."



**I have done studies of gourmet shops in Shanghai and it's amazing how much demand there is for premium products like ours."**

NICOLÁS KOVALENKO  
AGROLAND S.A. COMMERCIAL DIRECTOR

### Tempting consumers

According to Agroland's commercial director, Nicolás Kovalenko, China is an ideal market for the company's high-end products, although he acknowledges that it will take some time before the producer can conquer the lucrative Chinese market.

"Even the lowest grade of China's premium sector is much bigger than we can access in the US or Brazil; so that would be our goal and our next logical destination because it is next," Kovalenko stated. "China is bigger than all the other niche markets of the world. It's giant. I have done studies of gourmet shops in Shanghai and it's amazing how much demand there is for premium products like ours."

Agroland is not just focused on developing Uruguay's precious natural resources as it looks to add-value and make high-quality fine foods

and forestry, with the development of the country's human resources regarded vital ingredients in its ongoing success.

"Agroland is going forward with front-line projects to promote industrial development, creating jobs for qualified personnel and improving their training," Bulgheroni explained.

"Our aim is to continue investing, innovating and fostering the best team of professionals, so we can offer healthy and natural products that reach a high degree of satisfaction in our consumers," he said.

Bulgheroni believes local agro-industrial developments should be complemented by real estate and tourism initiatives.

"Our products are refined, high-end, gourmet, and incorporate many of the values you would find in the countryside of Uruguay," he stated. "In essence, our products and the landscape become one."

Given its strong focus on environmental responsibility, Agroland is also branching out into non-traditional areas through investment in renewable energies and has developed two wind farms to help power its extensive operations and, possibly, sell any excess energy.

In 2013, Agroland will partly open the industrial area of its winery in the Garzón hills and expand the installed capacity of the Colinas de Garzón oil mill and launch new production, packaging and bottling areas.

The company will soon debut another small plant for the processing of dry fruit, mainly almonds.

*InFocus provided the story*

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