



U.S. DEPARTMENT of STATE

Bureau of Western Hemisphere Affairs
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Background Note: Uruguay



PROFILE

OFFICIAL NAME:

[Oriental Republic of Uruguay](#)

Geography

Area: 176,220 sq. km. (68,000 sq. mi.); slightly smaller than the state of Washington.

Cities: *Capital*--Montevideo (est. pop. 1.4 million).

Terrain: Plains and low hills, fertile coastal lowland; 84% agricultural.

Climate: Temperate.

People

Nationality: *Noun and adjective*--Uruguayan(s).

Population (July 2008): 3.5 million.

Annual growth rate: 0.5%.

Ethnic groups (est.): European descent 88%, African descent 4%, mestizo 8%.

Religions: Roman Catholic 66%, Protestant and other Christian 2%, Jewish 1%, non-professing or other 31%.

Language: Spanish.

Education: *Literacy* (2004)--98%.

Health (2005): *Life expectancy*--76.1 yrs. (79.5 yrs females; 72.9 yrs. males).

Infant mortality rate--11.6/1,000.

Work force (1.3 million, 2006): *Manufacturing*--16%; *agriculture*--7%; *commerce, restaurants and hotels*--23%; *other services*--43%.

Government

Type: Republic.

Independence: 1825.



Tourists walk in Colonia del Sacramento, Uruguay, January 11, 2003. [© AP Images]

Constitution: First 1830, current 1967, most recently amended January 1997.
Branches: *Executive*--president (chief of state and head of government).
Legislative--General Assembly consisting of a 99-seat Chamber of Deputies and a 30-seat Senate. *Judicial*--Supreme Court of Justice.
Administrative subdivisions: 19 departments with limited autonomy.
Political parties/coalitions: Colorado Party, Blanco (National) Party, Encuentro Progresista-Frente Amplio, Nuevo Espacio.
Suffrage: Universal at 18.

Economy

Gross domestic product (GDP): \$23.1 billion (2007); \$19.3 billion (2006); \$16.8 billion (2005); \$13.2 billion (2004).
Annual growth rate: +7.4% (2007); +7.0% (2006); +6.6% (2005); +12.3% (2004); +2.5% (2003); -11.0% (2002).
Per capita GDP: \$6,950(2007); \$5,828 (2006); \$5,200 (2005); \$4,100 (2004).
Natural resources: Arable land, pastures, hydroelectric power, granite, marble, fisheries.
Agriculture (9% of GDP): *Products*--beef, wool, rice, wheat, barley, corn, soybeans, fish, forestry.
Industry (23% of GDP): *Types*--food processing, electrical machinery, wool, textiles, leather, leather apparel, beverages and tobacco, chemicals, cement, petroleum products, transportation equipment.
Services: About 60% of GDP.
Trade: *Exports* (f.o.b.)--\$4.5 billion: meat, wool, hides, leather, wool products, fish, rice, furs. *Major markets*--United States, Brazil, Argentina, Mexico, Germany. *Imports* (c.i.f.)--\$5.5 billion: machinery, chemicals, fuel, vehicles. *Major suppliers*--Brazil, Argentina, United States, China, Venezuela.

PEOPLE

Uruguayans share a Spanish linguistic and cultural background, even though about one-quarter of the population is of Italian origin. Most are nominally Roman Catholic although the majority of Uruguayans do not actively practice a religion. Church and state are officially separated.

Uruguay is distinguished by its high literacy rate, large urban middle class, and relatively even income distribution. The average Uruguayan standard of living compares favorably with that of most other Latin Americans. Metropolitan Montevideo, with about 1.4 million inhabitants, is the only large city. The rest of the urban population lives in about 20 towns. During the past two decades, an estimated 500,000 Uruguayans have emigrated, principally to Argentina and Spain. Emigration to the United States also rose significantly. As a result of the low birth rate, high life expectancy, and relatively high rate of emigration of younger people, Uruguay's population is quite mature.

HISTORY

The only inhabitants of Uruguay before European colonization of the area were the Charrua Indians, a small tribe driven south by the Guarani Indians of Paraguay. The Spanish discovered the territory of present-day Uruguay in 1516, but the Indians' fierce resistance to conquest, combined with the absence of gold and silver, limited settlement in the region during the 16th and 17th centuries. The



Spanish introduced cattle, which became a source of wealth in the region. Spanish colonization increased as Spain sought to limit Portugal's expansion of Brazil's frontiers.

Montevideo was founded by the Spanish in the early 18th century as a military stronghold; its natural harbor soon developed into a commercial center competing with Argentina's capital, Buenos Aires. Uruguay's early 19th century history was shaped by ongoing conflicts between the British, Spanish, Portuguese, and colonial forces for dominance in the Argentina-Brazil-Uruguay region. In 1811, Jose Gervasio Artigas, who became Uruguay's national hero, launched a successful revolt against Spain. In 1821, the Provincia Oriental del Rio de la Plata, present-day Uruguay, was annexed to Brazil by Portugal. The Provincia declared independence from Brazil in August 25, 1825 (after numerous revolts in 1821, 1823, and 1825) but decided to adhere to a regional federation with Argentina.

The regional federation defeated Brazil after a 3-year war. The 1828 Treaty of Montevideo, fostered by the United Kingdom, gave birth to Uruguay as an independent state. The nation's first constitution was adopted in 1830. The remainder of the 19th century, under a series of elected and appointed presidents, saw interventions by neighboring states, political and economic fluctuations, and large inflows of immigrants, mostly from Europe. Jose Batlle y Ordoñez, president from 1903 to 1907 and again from 1911 to 1915, set the pattern for Uruguay's modern political development. He established widespread political, social, and economic reforms such as a welfare program, government participation in many facets of the economy, and a plural executive. Some of these reforms were continued by his successors.

By 1966, economic, political, and social difficulties led to constitutional amendments, and a new constitution was adopted in 1967. In 1973, amid increasing economic and political turmoil, the armed forces closed the Congress and established a civilian-military regime, characterized by repression and widespread human rights abuses. A new constitution drafted by the military was rejected in a November 1980 plebiscite. Following the plebiscite, the armed forces announced a plan for return to civilian rule. National elections were held in 1984. Colorado Party leader Julio Maria Sanguinetti won the presidency and served from 1985 to 1990. The first Sanguinetti administration implemented economic reforms and consolidated democracy following the country's years under military rule.

Sanguinetti's economic reforms, focusing on the attraction of foreign trade and capital, achieved some success and stabilized the economy. In order to promote national reconciliation and facilitate the return of democratic civilian rule, Sanguinetti secured public approval by plebiscite of a controversial general amnesty for military leaders accused of committing human rights violations under the military regime, and sped the release of former guerrillas.

The National Party's Luis Alberto Lacalle won the 1989 presidential election and served from 1990 to 1995. Lacalle executed major structural economic reforms and pursued further liberalization of the trade regime. Uruguay became a founding member of MERCOSUR in 1991 (the Southern Cone Common Market, which includes Argentina, Brazil, and Paraguay). Despite economic growth during Lacalle's term, adjustment and privatization efforts provoked political opposition, and some reforms were overturned by referendum.

In the 1994 elections, former President Sanguinetti won a new term, which ran from 1995 until March 2000. As no single party had a majority in the General Assembly, the National Party joined with Sanguinetti's Colorado Party in a coalition government. The Sanguinetti government continued Uruguay's economic reforms and integration into MERCOSUR. Other important reforms were aimed at improving the electoral system, social security, education, and public safety. The economy grew steadily for most of Sanguinetti's term, until low commodity prices and economic difficulties in its main export markets caused a recession in 1999, which continued into 2003.

The 1999 national elections were held under a new electoral system established by constitutional amendment. Primaries in April decided single presidential candidates for each party, and national elections on October 31 determined representation in the legislature. As no presidential candidate received a majority in the October election, a runoff was held in November. In the runoff, Colorado Party candidate Jorge Batlle, aided by the support of the National Party, defeated Frente Amplio candidate Tabaré Vázquez.

The legislative coalition of the Colorado and National parties that held during most of Batlle's administration ended in November 2002, when the Blancos withdrew their ministers from the cabinet. Throughout most of his administration, President Batlle had to handle Uruguay's largest economic crisis in recent history, which impacted on poverty and led to increased emigration. Aside from successfully addressing the crisis, Batlle increased international trade, attracted foreign investment and tried to resolve issues related to Uruguayans who disappeared during the military government.

The two traditional political parties, the National ("Blanco") and Colorado parties, which were founded in the early 19th century, in the past garnered about 90% of the vote but have seen their share decline over the past decades. At the same time the share of the Frente Amplio, a coalition of various left-of-center factions that became the largest political force in 1999, was on the rise. In October 2004 presidential elections, Tabaré Vázquez ran against the Blanco candidate Jorge Larranaga, a former state governor and senator who got 34.3% of votes, and against the Colorado candidate, former Interior Minister Stirling who got 10.4%. President Vázquez won the elections in the first round, with 50.5% of ballots, and his party achieved parliamentary majority. The Frente Amplio has ruled Montevideo since 1990.

During its first 3 years in power, the Vázquez administration made good on its campaign promise to re-examine the human rights abuses committed during the period of military dictatorship and uncovered important forensic evidence. Bilateral relations with Argentina were strained by an ongoing dispute over the construction in Uruguay of a large wood pulp mill on a shared river. Legislation, including a controversial tax reform bill, tended to pass easily as the Frente Amplio enjoyed majorities in both houses of congress.

GOVERNMENT AND POLITICAL CONDITIONS

Uruguay's 1967 constitution institutionalizes a strong presidency, subject to legislative and judicial checks. The president's term is 5 years. Thirteen cabinet ministers, appointed by the president, head executive departments. The constitution provides for a bicameral General Assembly responsible for enacting laws and regulating the administration of justice. The General Assembly consists of a 30-member Senate, presided over by the vice president of the republic, and a 99-member Chamber of Deputies. In the October 2004 general elections, the Frente Amplio won the presidency in the first round with 50.7% and a majority of the seats in each chamber. The National (Blanco) Party won 34.1%, the Colorado Party 10.3%, and the Independent Party 1.8%.

The highest court is the Supreme Court; below it are appellate and lower courts and justices of the peace. In addition, there are electoral and administrative ("contentious") courts, an accounts court, and a military judicial system.

Principal Government Officials

President--Tabaré Ramón Vázquez Rosas

Minister of Foreign Affairs--Gonzalo Fernandez

Ambassador to the United States--Carlos Alberto Gianelli Derois

Ambassador to the United Nations--Jose Luis Cancela

Ambassador to the OAS--Dr. Lujan Flores

Uruguay maintains an [Embassy](#) in the United States at 1913 "I" Street NW, Washington, DC 20006 (tel. 202-331-1313, fax 202-331-8142). Uruguay maintains consulates in Chicago, Miami, Los Angeles, New York and San Juan, Puerto Rico.

ECONOMY

Uruguay's economy remains dependent on agriculture. Agriculture and agri-industry account for 23% of GDP, and for over two-thirds of total exports. Leading economic sectors include meat processing, agribusiness, wood, wool, leather production and apparel, textiles, and chemicals. Though still small, the information software industry is growing rapidly.

In 2002, Uruguay went through the steepest economic and financial crisis in recent history, which developed mostly from external factors. Devaluation in Brazil in 1999 made Uruguayan goods less competitive, and an outbreak of foot and mouth disease in 2001 curtailed beef exports to North America. Starting in late 2001, an economic crisis in Argentina undermined Uruguay's economy, with exports to Argentina and tourist revenues falling dramatically. In mid-2002 Argentine withdrawals from Uruguayan banks started a bank run that was overcome only by massive borrowing from international financial institutions. This, in turn, led to serious debt sustainability problems. A successful debt swap helped restore confidence and significantly reduced country risk.

Uruguay's economy resumed growth in 2003--with a 2.5% rise in GDP--and surged in 2004 and 2005 with growth rates of 12.3% and 6.6%, respectively. Growth equaled 7.0% in 2006 and reached 7.4% in 2007.

Uruguay's spectacular recovery over the past couple of years has been based on increased exports, especially to North America. The U.S. became Uruguay's largest export market in 2004, thanks in large part to meat exports. Uruguay enjoys a positive investment climate, with a strong legal system and open financial markets. It grants equal treatment to national and foreign investors and, aside from very few sectors, there is neither de jure nor de facto discrimination toward investment by source or origin.

Uruguay has traditionally favored substantial state involvement in the economy, and privatization is still widely opposed. Recent governments have carried out cautious programs of economic liberalization similar to those in many other Latin American countries. They included lowering tariffs, controlling deficit spending, reducing inflation, and cutting the size of government.

Uruguay has largely diversified its trade in recent years and reduced its longstanding dependency on Argentina and Brazil. It is a founding member of MERCOSUR, the Southern Cone trading bloc also composed of Argentina, Brazil, and Paraguay, which is in the process of integrating Venezuela. The MERCOSUR Secretariat is located in Montevideo.

The investment climate is generally positive. Investments are allowed without prior authorization, foreign and national investors are treated alike, and there is fully free remittance of capital and profits. About 90 American firms operate in Uruguay and, according to the U.S. Department of Commerce, the stock of U.S. direct investment amounts to \$656 million.

Uruguay's economy is based on free enterprise and private ownership. In spite of some de-monopolization and privatization over the past 10 years, the state continues to play a major role in the economy, owning either fully or partially companies in insurance, water supply, electricity, telephone service, petroleum refining, airlines, postal service, railways, and banking.

NATIONAL SECURITY

The armed forces are constitutionally subordinate to the president through the minister of defense. By offering early retirement incentives, the government has trimmed the armed forces to about 14,500 for the army, 6,000 for the navy, and 3,000 for the air force. Uruguay ranks first in the world on a per capita basis for its contributions to the UN peacekeeping forces, with 2,613 soldiers and officers in 13 UN peacekeeping missions. As of June 2008, Uruguay had 1,177 military personnel deployed to Haiti in support of MINUSTAH; its other major peacekeeping troop deployment was in the Congo.

FOREIGN RELATIONS

Uruguay traditionally has had strong political and cultural links with its neighbors and Europe. With globalization and regional economic problems, its links to North America have strengthened. Uruguay is a strong advocate of constitutional democracy, political pluralism, and individual liberties. Its international relations historically have been guided by the principles of non-intervention, multilateralism, respect for national sovereignty, and reliance on the rule of law to settle disputes. Uruguay's international relations also reflect its drive to seek export markets and foreign investment. It is a founding member of MERCOSUR, the Southern Cone Common Market also composed of Argentina, Brazil, and Paraguay. As of December 2006, Chile, Bolivia, Colombia, Ecuador, and Peru were associate members of MERCOSUR. As of July 2008, Venezuela was in the process of becoming MERCOSUR's fifth full member.

Uruguay is a member of the Rio Group, an association of Latin American states that deals with multilateral security issues (under the Inter-American Treaty of Reciprocal Assistance). Uruguay's location between Argentina and Brazil makes close relations with these two larger neighbors and MERCOSUR associate members Chile and Bolivia particularly important. Usually considered a neutral country and blessed with a professional diplomatic corps, Uruguay is often called on to preside over international bodies. Uruguay is a member of the Latin American Integration Association (ALADI), a trade association based in Montevideo that includes 10 South American countries plus Mexico and Cuba.

U.S.-URUGUAYAN RELATIONS

U.S.-Uruguayan relations traditionally have been based on a common outlook and emphasis on democratic ideals. In 2002, Uruguay and the U.S. created a Joint Commission on Trade and Investment (JCTI) to exchange ideas on a variety of economic topics. In March 2003, the JCTI identified six areas of concentration until the eventual signing of the Free Trade Area of the Americas (FTAA): customs issues, intellectual property protection, investment, labor, environment, and trade in goods. In late 2004, Uruguay and the U.S. signed an Open Skies Agreement, which was ratified in May 2006. In November 2005, they signed a Bilateral Investment Treaty (BIT), which entered into force on November 1, 2006. A Trade and Investment Framework Agreement (TIFA) was signed in January 2007. More than 80 U.S.-owned companies operate in Uruguay, and many more market U.S. goods and services. In April 2008, Secretary Rice met with Foreign Minister Fernandez to sign a science and technology agreement.

Uruguay cooperates with the U.S. on law enforcement matters such as regional efforts to fight drug trafficking and terrorism. It has also been very active in human rights issues.

From 1999 through early 2003 Uruguayan citizens were exempted from visas when entering the United States under the Visa Waiver Program. This exemption was withdrawn on April 16, 2003, based on the high overstay rates for Uruguayans and worldwide national security concerns.

Principal U.S. Embassy Officials

Ambassador--[Frank E. Baxter](#)

Deputy Chief of Mission--Robin Matthewman

Political/Economic Counselor--vacant

Economic/Commercial Section Chief--Jack Doutrich

Consul--Mike McCamman

Chief, Management Section--vacant

Public Affairs Officer--Robert Zimmerman

Defense Attaché--LTC Patrick Hall

Chief, Office of Defense Cooperation--Col. Derek Dickey

The U.S. Embassy in Uruguay is located at Lauro Muller 1776, Montevideo (tel: 598-2 418-7777; fax: 598-2-410-0022). The mailing

address for the embassy is UNIT 4500, APO AA 34035. The Embassy also has an Internet web page at <http://montevideo.usembassy.gov/>

Other Contact Information

U.S. Department of Commerce
Trade Information Center
International Trade Administration
14th and Constitution Avenue, NW
Washington, DC 20230
Tel: 800-USA-TRADE
Home page: <http://www.export.gov/>

American Chamber of Commerce in Uruguay
Plaza Independencia 831, Oficina 209
Edificio Plaza Mayor
11100 Montevideo, Uruguay
Tel: (5982) 908-9186
Fax: (5982) 908-9187
Home page: <http://www.ccuruguayusa.com/>
E-mail: info@ccuruguayusa.com

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program advises Americans traveling and residing abroad through Country Specific Information, Travel Alerts, and Travel Warnings. **Country Specific Information** exists for all countries and includes information on entry and exit requirements, currency regulations, health conditions, safety and security, crime, political disturbances, and the addresses of the U.S. embassies and consulates abroad. **Travel Alerts** are issued to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas that pose significant risks to the security of American travelers. **Travel Warnings** are issued when the State Department recommends that Americans avoid travel to a certain country because the situation is dangerous or unstable.

For the latest security information, Americans living and traveling abroad should regularly monitor the Department's Bureau of Consular Affairs Internet web site at <http://www.travel.state.gov>, where the current [Worldwide Caution](#), [Travel Alerts](#), and [Travel Warnings](#) can be found. [Consular Affairs Publications](#), which contain information on obtaining passports and planning a safe trip abroad, are also available at <http://www.travel.state.gov>. For additional information on international travel, see <http://www.usa.gov/Citizen/Topics/Travel/International.shtml>.

The Department of State encourages all U.S. citizens traveling or residing abroad to register via the [State Department's travel registration](#) website or at the nearest U.S. embassy or consulate abroad. Registration will make your presence and whereabouts known in case it is necessary to contact you in an emergency and will enable you to receive up-to-date information on security conditions.

Emergency information concerning Americans traveling abroad may be obtained by calling 1-888-407-4747 toll free in the U.S. and Canada or the regular toll line 1-202-501-4444 for callers outside the U.S. and Canada.

The [National Passport Information Center](#) (NPIC) is the U.S. Department of State's single, centralized public contact center for U.S.

passport information. Telephone: 1-877-4-USA-PPT (1-877-487-2778); TDD/TTY: 1-888-874-7793. Passport information is available 24 hours, 7 days a week. You may speak with a representative Monday-Friday, 8 a.m. to 10 p.m., Eastern Time, excluding federal holidays.

Travelers can check the latest health information with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at 800-CDC-INFO (800-232-4636) and a web site at <http://wwwn.cdc.gov/travel/default.aspx> give the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. The CDC publication "Health Information for International Travel" can be found at <http://wwwn.cdc.gov/travel/contentYellowBook.aspx>.

Further Electronic Information

Department of State Web Site. Available on the Internet at <http://www.state.gov>, the Department of State web site provides timely, global access to official U.S. foreign policy information, including [Background Notes](#) and [daily press briefings](#) along with the directory of [key officers](#) of Foreign Service posts and more. The Overseas Security Advisory Council (OSAC) provides security information and regional news that impact U.S. companies working abroad through its website <http://www.osac.gov>

[Export.gov](#) provides a portal to all export-related assistance and market information offered by the federal government and provides trade leads, free export counseling, help with the export process, and more.

[STAT-USA/Internet](#), a service of the U.S. Department of Commerce, provides authoritative economic, business, and international trade information from the Federal government. The site includes current and historical trade-related releases, international market research, trade opportunities, and country analysis and provides access to the [National Trade Data Bank](#).



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