

# URUGUAY

## The stable gateway to investment opportunities

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Often referred to as the Switzerland of South America, Uruguay's political stability is being bolstered by growing economic and financial stability, consequences of moderate governance, sustainable fiscal policy, market and economic diversification, and a strong focus on education, among other things.

Although it suffered overspill from the Argentinean financial crisis in 2002, Uruguay has made such a strong comeback that several international financial institutions are waiting in line to enter, while economic growth has only faltered to a low of 2.9% during the worst of the current global economic downturn. The IMF predicts growth for the coming years to remain stable at 4-5%, although analysts in Uruguay claim these estimates are conservative, as productivity continues to rise and foreign investment increases. The fact that Uruguay serves as headquarters for Mercosur, the Southern Cone Common Market that also includes the huge markets of Brazil and Argentina, additionally lends the country the advantage of serving as the key gateway to the region for trade and investment.

"Investing in Uruguay is no risky venture," says Jose Mujica, voted President of Uruguay in March 2010. "The most important advantage we have is that we're in the southern market and given Uruguay's reliability, from here one can enter a market much larger than our own, such as Brazil and Argentina, without running the risks of establishing oneself there."

According to Carlos Gianelli, Uruguayan Ambassador to the U.S., Uruguay offers excel-

lent conditions for foreign investment, namely transparency, legal and political stability, a highly educated population, and an open economy. These factors have not gone unnoticed by investors: total investment grew at an annual average rate of 13% between 2006 and 2008.

The U.S. is the fourth largest foreign investor in Uruguay, who despite its small size (it is slightly smaller than the state of Washington), is the sixth world exporter of bovine meat, seventh in rice, and eighth in soybeans. While agriculture has traditionally been Uruguay's flagship sector – thanks to its vast tracts of green arable land and low population density – it is being taken over by services related to IT, finance activities, and logistics. Indeed, today Uruguay is among the first three major exporters of software and services in the continent.

U.S. investors enjoy the added advantage of two 'third generation' investment instruments. Approved in 2005, the Bilateral Investment Agreement, or BIT, is a legal instrument that promotes and reciprocally protects FDI between the two countries. The Trade and Investment Treaty (TIFA) of 2007 was the first treaty of its kind signed with a Latin American country and is paving the way for cooperation in many issues that go beyond commerce and into the realm of scientific and technological research.

"We must build a highly-qualified society that sells knowledge," explains President Mujica. "The most important thing we can learn from the U.S. is knowledge and science."

Mr. Mujica is carrying on with most of his predecessor's policies, among the most noteworthy perhaps is Plan Ceibal, or the One Laptop per Child program. Uruguay is the first country in the world to have full connectivity at the primary school level, and the second phase, supplying students and teachers at the secondary level, will reach completion this year.



Secretary of State Clinton attended Uruguayan President Jose Mujica's inauguration ceremony on March 1, 2010 in which she praised his country's commitment to democracy

### 'A very positive opportunity'

Aside from promoting cultural exchanges, the U.S. Embassy in Uruguay can also help investors get started



David Nelson, U.S. Ambassador to Uruguay

U.S. Ambassador to Uruguay David Nelson can personally attest to the tremendous changes the country has undergone since the early 1980s when he served as a diplomat under Uruguay's former dictatorship. The democratic and economic strengthening he witnesses today has led him to become one of the most enthusiastic advocates for investment here.

"From the viewpoint of private investors and from the standpoint of the United States government, we see Uruguay as a very positive opportunity for investors," he says. "We have one of the latest models of a bilateral in-

vestment treaty with Uruguay, which was signed in 2006, one that provides security for investors."

The country's status as headquarters of Mercosur affords it a strategic position as a logistics hub for the region and U.S. companies may use Uruguay as a tariff-free export distribution base. In addition, the government has plans for future investment in infrastructure, something in which many North American companies have already expressed interest.

Other areas the ambassador views as attractive for investors are adding value to agricultural, livestock, and

dairy activities, as well as the non-traditional sectors that are helping to boost economic growth, such as software, technology, and call centers.

One of the embassy's roles is to explain to investors what the situation is currently like, put them in contact with the right channels, and in the process, ultimately ease their worries over language barriers, administrative procedures, and bureaucracy. "We tell them the advantages and disadvantages that we see, we can facilitate contacts with government authorities and with other companies, but it is the investor who ultimately makes the decision," says Mr. Nelson.

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# INVESTOR-FRIENDLY

Uruguay has proven a stable destination for investment, even throughout the regional financial crisis of 2002, when it refinanced its debt unlike its neighbors. During the most recent recession, Uruguay has remained shielded from the worst of it thanks to the government's prudent macroeconomic policy, which has made the country less vulnerable to external pressures.

"We're convinced that the sustainability of the fiscal policy is one of the most important tools in ensuring both a healthy business climate and full observance of the rules of the game in the economy, key elements for promoting investment," explains Economy Minister Fernando Lorenzo.

Economically, growth in the South American country has remained strong throughout the past 60 years, posting aver-

age annual growth of 1% between the 1950s and the 1990s. In 2010, in the face of the global economic crisis, Uruguay's GDP grew a robust 8%, according to the Economist Intelligence Unit, who predicts a deceleration to 4.3% for the current year.

Mr. Lorenzo also foresees steady growth for the medium term. "There are firm foundations in place for Uruguay to continue growing at an annual rate upwards of 4% over the next five years," he says. "We believe the strong investment process and the success that many productive sectors are enjoying in international markets may drive these rates even higher over the next few years."

Many U.S. investors have taken notice of Uruguay's political and economic stability, as well as its incentives and attractions, such as strict observance of the rule of law, its vast wealth of natural resources –

which lend themselves not only to exploitation but also to tourism – and its highly educated and skilled workforce. Moreover, Uruguay does not discriminate between national and foreign investors.

The U.S. and Uruguay maintain excellent business relations based on two treaties: the investment protection treaty and the Trade and Investment Framework Agreement, or TIFA. "We aspire to improve access to the North American market and in fact, the work being done with the U.S. government with the TIFA is heading us in the right direction, helping us find the right mechanisms to increase market access for our products," comments Mr. Lorenzo.

From January through October 2010 U.S. trade with Uruguay, who ranked 33rd on the Heritage Foundation's Economic Freedom Index, reached nearly one billion dollars.

## Evolution of the level of activity



## Bilateral cooperation and commerce

Uruguay's Minister of Foreign Affairs discusses his country's potential for greater trade and investment

**In what areas would you like to see more cooperation between Uruguay and the U.S.?**

I believe it's mostly in areas like science and technology where both countries must work together and where Uruguay is highly prepared to receive new expertise, especially given our human resources.

We've worked on strengthening mechanisms of dialogue with U.S. institutions of cooperation, with departments, institutes, and universities involved in science and technology. We're working with them on concrete projects.

Our priorities lie in agriculture and related science, biotech, medicine, computer sciences, energy, and maybe even Antarctic issues. Trade is also important, as it quantifies and benefits the relationship. I think bilateral trade could easily double in the future.

**Do you see Uruguay as the gateway for U.S. companies to Mercosur?**

Definitely, and this is something that has been analyzed



Luis Almagro, Minister of Foreign Affairs

by thousands of foreign businesses who have settled and set up their base of operations in Uruguay. We've got plenty of investment potential for the future but there's already a lot of foreign investment that's been consolidated over the past few years. The Chinese are active in our automobile sector, there's a lot of investment in the energy, agricultural and farming, and forestry sectors.

Uruguay boasts a stable legal base, a business-friendly environment, and it offers a high quality of life, as well as access to the enormous Brazilian and Argentinean markets.

## Sabre's successful choice

The travel industry pioneer opened its Global Customer Support Center in Montevideo

Anyone who's ever booked flights, cars, hotels, cruises or trains through travel agencies, Travelocity.com and other renowned web pages has been using, albeit unknowingly, a service powered by Sabre – a world leader in distribution and technology solutions for the travel industry. With over 900 employees in Montevideo, this is Sabre's 2nd largest site after its HQ in Southlake, TX.

"The world class service provided speaks of the commitment and investment of Sabre in Uruguay. We crafted our team based on talent and skills in order to deliver differentiating services to the travel industry. We provide technical support, marketing, sales, and training to 45 countries in 15 languages attesting to the planning and execution capacity of the entire team,"

says Jean Shaw, VP of the Sabre Uruguay Center.

"Our focus on building a strong culture based on performance and delivery while hav-



Jean Shaw, Vice-President of Sabre Global Customer Support

ing a little fun has created an environment that allows employees to thrive," she adds. Sabre has been listed as Best Company to work for in Montevideo by the Great Place to Work Institute from 2007 to 2009.

## Lobraus' total trade solutions

New head-quarters in Uruguay lend Lobraus an extra competitive edge

Uruguay has attracted some of the most successful U.S. companies to its shores who are helping put Uruguay on the corporate world map. Lobraus is an excellent example.

Originally established in 1989 in Los Angeles, Lobraus provides total foreign trade solutions, conveniently centralizing all operations from a single platform and taking full advantage of Uruguay's Free Port law, which allows for the free movement of goods in transit, unlimited storage time, and exemption to local taxes and customs duties, among other things.

"The discovery of the Free Port law completely changed the quality of our services, strengthening the efficiency of our logistical chain," ex-

plains Renato Ferreira, founder and president.

Lobraus' Montevideo port and ultra-modern warehouse are a vital link in the compa-



Renato Ferreira, Founder and President of Lobraus

ny's special 'end-to-end' service, which manages door-to-door global trading operations, as well as in its ambition to create a 'gateway,' where more containers are opened and value is added.

## Planting roots in the country

Discount Bank has built a long-lasting relationship with Uruguay and the community

A wholly owned subsidiary of U.S.-based IDB Bank – in turn a subsidiary itself of 76-year old Israel Discount Bank Limited – Discount Bank Latin America has served the entire

region from its headquarters in Montevideo since 1958.

Discount Bank is not the sole foreign bank operating here; indeed, Uruguay's financial stability has attracted in recent years several major international financial institutions, says Jorge Perez, the bank's managing director. "At present, with the exception of one bank, all the banks are international banks," he says.

When Discount Bank opened in Uruguay over 50 years ago, its purpose was to attract wealthy investors and depositors from neighboring countries. As the local economy grew, the bank's management decided to transform Discount Bank into a domestic retail commercial bank that could serve all kinds of customers.

"Today, about 75% of our deposits are from Uruguayan residents, and in addition to large corporations, we also finance mid-size and small corporations," explains Mr. Perez. "We are also expanding our activities in consumer lending. We started with only one branch in Montevideo and one in Pun-

ta del Este. With the change in policy, we began to develop a network of branches."

In March 2011, the bank will open a branch in Colonia, raising the number of branches to 15.



Jorge Perez, Managing Director of Discount Bank

A growing network and client base (the bank currently has more than 55,000 customers) is certainly one sign of Discount Bank's commitment to the country, as is the fact that it remains conservative.

"We have worked hard to improve our trademark and are proud of our image as a conservative bank with im-

portant loan and investment portfolios, with a substantial liquidity, and maintaining a low risk factor," says Mr. Perez.

The bank is also very proud that during the regional crisis of 2002, it was one of the few banks that repaid all deposits without any help from its parent bank.

Discount Bank's conservative outlook does not, however, extend to its expansion strategy. Eight years ago, while other banks were downsizing, Discount Bank opened new branches, a strategy that proved quite successful, according to Mr. Perez.

Throughout good times and bad, Discount Bank has been a generous benefactor to the Uruguayan community. Working with several NGOs, the bank runs a school project as well as a housing development project. It also supports poor children by paying the tuition for their studies.

"We are really devoting much time, optimizing resources, and doing more with less," affirms the managing director.



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# Creating a solid financial framework

Following the 2002 economic crisis, Uruguay's Central Bank made it possible for the country to better weather the current crisis

What is undoubtedly one of Friedrich Nietzsche's more famous quotes, "that which does not kill us makes us stronger," can certainly be applied to how Uruguay's financial system fared after the 2002 South American economic crisis.

As the failure of the Argentinean financial market made news around the world and took its toll on neighbouring country's markets (in Uruguay, for example, 40% of depositors were Argentinean in December 2001), Uruguay's Central Bank (BCU) and Ministry of Economy quickly began regulating the financial sector more firmly. Although there were casualties – five financial institutions were left insolvent – the country emerged stronger, with valuable lessons indelibly learned that have certainly come in handy in these turbulent financial times.

"The lessons that the authorities, regulators, banks and managers, and the banking system learned then have allowed us to be much more solid facing this current world crisis," explains BCU president and

former Vice Minister of Economy Mario Bergara.

Following the 2002 crisis, the challenge was to make institutional reforms and rework the legislation on competition,



Mario Bergara, President of the Central Bank of Uruguay

bankruptcy, investment promotion, and taxation. The government made it a priority to lay the foundations for economic, fiscal, industrial, and social stability. Today there is no financial strangulation, the debt is low, and furthermore, Uruguay is looking long term and not short term, says Mr. Bergara.

Proof of Uruguay's post-crisis

resilience can be seen in its GDP growth of 2.9% for 2009, and its never having dipped into the red since 2002.

More recent changes are doing even more to ensure stability in Uruguay's financial markets. The 2008 Central Bank charter reformulated all institutional regulatory control, centralizing the regulation of all financial markets under a single commission. It also separated the Financial Savings Protection Corporation (an organization that ensures deposits and is responsible for the resolution of insolvent banks) from the BCU.

Uruguay's efforts to continue solidifying its economy were bolstered in October 2010 when the World Bank Board of Executive Directors announced a new Strategic Partnership for the 2010-2015 period, allocating US\$700 million for its implementation. Penelope Brook, World Bank director for Argentina, Paraguay, and Uruguay highlighted the country's strengths, saying that "Uruguay is a small, innovative country with clear comparative advantages, where the World Bank



The Central Bank of Uruguay has laid the groundwork for solid economic growth

can make use of tailored instruments: loans, technical assistance, and South-South exchanges."

Uruguay's increasingly solid economy and banking sector are attracting various new players, although any new financial entity that applies for admission must undergo a strict evaluation process of their stockholders, managers, and risk ratings.

According to Mr. Bergara, however, there is plenty of room in the market, as the financial and banking infrastructure is not developed enough to meet current needs. The Central Bank is working with the government to promote these sectors, which offer an interesting opportunity for newcomers and established institutions alike in this underserved market.

"There is a vast market to expand and create those services for small and medium sized companies, which constitute 95% of our market," claims BCU's president, who would also like to begin offering more services to lower income families. "The objective is to universalize financial services, create new ones, and identify where the problems might be."

## NBC, a universal and award-winning Uruguayan bank

While NBC's shareholders are international, its focus is highly personalized

Although Nuevo Banco Comercial (NBC) was formed just nine years ago, the bank has celebrated a great many milestones and many huge efforts and achievements have catapulted the bank into the limelight.

When the government of Uruguay founded NBC in 2002 by combining the highest-quality assets of three of the country's largest banks, NBC's management already had clear goals: on one hand, to reactivate and restructure the largest portfolio possible and on the other, to begin recovering the trust of the shareholders of the three liquidated banks. In the first nine months, NBC had already achieved its objectives, ending the term with US\$8 million in profits.

By 2005, the bank had become so successful – among other things, it acquired the exclusive rights to issue American Express cards – that a consortium of investors entered into talks to acquire the government's shares. NBC was privatized the following



Horacio Corrage, General Manager of Nuevo Banco Comercial

year and passed into the hands of Advent, Morgan Stanley, DEG (a German Development Agency), and FMO (Dutch Development Agency).

The most recent groundbreaking structural change came at the end of 2010, when Scotiabank announced its intention to buy 100% of NBC's shares. By now, NBC had become the fourth largest private bank in Uruguay's loans and deposits market and the recognized leader in its strategic sectors of consumers, credit cards, and SMEs.

For NBC general manager Horacio Corrage, Scotiabank's interest is a twofold sign of encouragement. "It's a double source of pride: not only has Scotiabank decided to invest in Uruguay, it's chosen Banco Comercial," he boasts. Representing the Canadian bank's viewpoint, Dieter Jentsch, Scotiabank's executive vice-president in Latin America, says: "Uruguay continues to impress us with its political stability and its economic fortunes."

These "economic fortunes" would be none other than the country's financial endurance throughout the recent global recession, which NBC was able to capitalize on in order to grow both its branch network (as well as extend their opening hours) and its portfolio. The bank's accrued results for 2008 were US\$22 billion, the highest within Uruguay's private financial system. The year 2009 also witnessed plenty of investment, thus allowing NBC to not only consolidate its leadership in key sectors but also to maintain its proposed aggressive commercial growth strategy.

"Over the past three years we have grown considerably because the country's economy has done well," explains Mr. Corrage. "At the same time we've been very focused on redesigning the management model and investing in technology. As for the coming three years, we expect to grow 10-15% per year."

Three-time winner of Euromoney's 'Best Bank in Uruguay' (2007-2009), NBC is a universal bank involved in all sectors and boasts the largest retail banking network of any Uruguayan bank. It maintains close relationships with its clients, and places a strong emphasis on family banking and solutions for SMEs.



Uruguay's banking sector still has the capacity to welcome new banks

## BSE, the surest way to insure your business in Uruguay

Uruguay's first insurance bank still leads the industry thanks to its reputation and reliability

Founded by the state in 1911, Banco de Seguros del Estado (BSE), or State Insurance Bank in English, operated as a monopoly for the insurance industry until 1995 when changes, especially stemming from Mercosur, instigated the demonopolization of the majority of insurances, thus opening the market to foreign companies. Bank president Mario Castro discusses BSE's position today in Uruguay.



Mario Castro, President of Banco Seguros de Estado

**What have been the main changes since the market opened to new insurance banks?**

This bank served for 85 years as a monopoly. When the competition arrived, everyone thought it would be hard for BSE to maintain its position, but it has proven strong. Today, we still have some 65% of the market.

We've recently chosen a new general manager who has a sales background, and we've asked him to develop a strategic plan for the business. There are many issues to address: deeper market research, greater marketing capacities, technology im-

provements, and entering the areas of microinsurance.

We're also now in the middle of a technological upgrading; in more concrete terms, we're installing integral insurance software that will afford us better management and the possibility to offer a higher quality of service.

We're introducing a lot more technology into the sales area, because this is where the most pressure is from the competition, and this creates a permanent challenge. This is why the bank is also developing its marketing and sales strategies and its planning, and is working harder than ever to achieve its goals.

**What importance does the bank's name have and what weight does it carry in the market?**

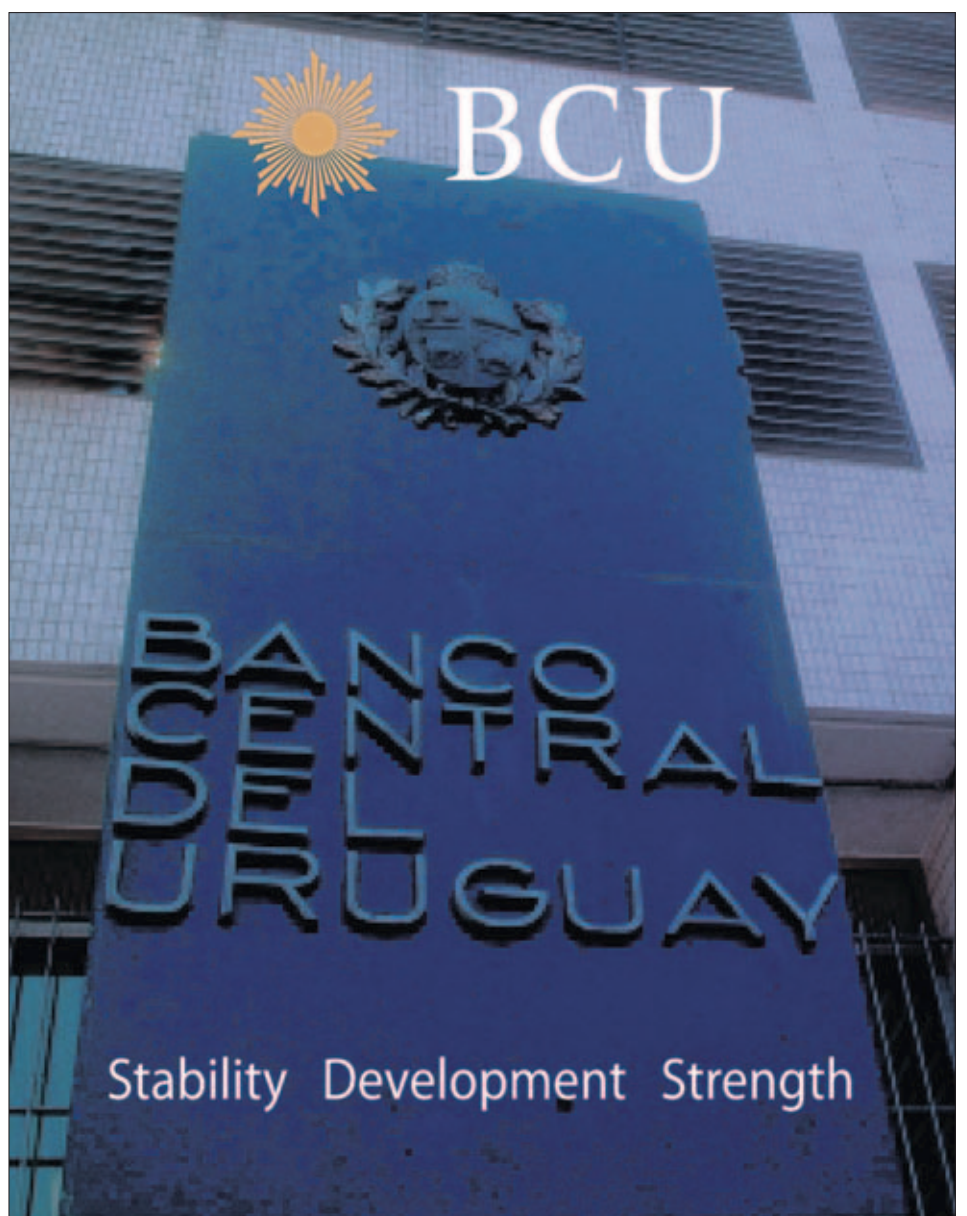
What the bank strives to transmit is security. This is a business where we try to reassure those who have the misfortune of having an accident or being robbed that he or she at least can rest easy knowing that their financial stability will not be affected.

Our motto is 'Nobody gives you more'. Besides this motto and our firm belief in it, this is a state bank, meaning it has extra support. The challenge is to be safe and be the fastest.

**What role can BSE play for foreign companies who may want to come and invest in Uruguay?**

We're a general company, meaning we cover all insurance types. We're in all branches, so we can satisfy the needs of any company that comes. We've got occupational insurance, something we monopolize, business insurance, property insurance, and of course life, accident, personal, and automobile insurance.

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# ECONOMIC DIVERSIFICATION

Over the past few years, Uruguay has managed to diversify its markets; whereas a decade ago 50% of its trade was concentrated in Mercosur, now it is just 27%. The goal today is to diversify its production, as well.

Where Roberto Kreimerman, Minister of Industry, Energy, and Mines, would like to see this in value added industries.

"Uruguay has successfully lowered its levels of poverty and social exclusion, and the quality of life has improved. But it still has a traditional and vulnerable productive structure, specialized in basic products with low value addition," he explains. "We've made a lot of progress, but we've still not got enough development of medium and high-technology products."

Although the traditional sectors (meat, dairy, and rice, for example) still drive the econ-



Roberto Kreimerman, Minister of Industry, Energy, and Mines



Enrique Pintado, Minister of Infrastructure and Public Works

omy's growth, the government is counting on investments in innovation-based sectors (ie pharmaceuticals, software), as well as in telecommunications and transportation infrastructures, renewable energies, the electricity sector, and the naval industry for greater development. According to Mr. Kreimerman, these are the fields for which Uruguay has highly-trained human capital and a very favorable investment regime, and not to men-

tion a recently inaugurated world-class and environmentally friendly science park. Parque de las Ciencias is located just a few minutes' drive from Montevideo's international airport.

In the realm of renewable energy, the minister says that Uruguay's natural resources offer excellent potential and has formed a kind of exchange program with the U.S. for scientific and technological cooperation.

Additionally, Uruguay is exploring its oil & gas potential and has awarded two zones to a consortium comprising Petrogas, Repsol, and Galp. Two more tenders will be available this year. If these concessions prove successful, Uruguay's naval industry will undoubtedly see fantastic growth.

Sectorial growth and economic diversification must go hand-in-hand with infrastructure development, as money-earning exports require an outlet whether this be by land, air, or sea.

Uruguay's government is therefore stepping up road and rail improvements, and sea and airport modernization projects. In order to prevent current infrastructure programs from being victims of politics, Enrique Pintado, Minister of Transport and Public Works, says his ministry is considering signing a document in which it requests that the International Development Bank (IDB) act as a catalyst in agreeing upon a state policy independent of the political party that may be in government.

"One of our strategic objectives is to turn the country into a regional logistical hub by 2030," says Mr. Pintado. "The important thing is not just knowing where we want to arrive, but how we're going to get there and convert Uruguay into a logistical point."

The smallest country in Mercosur, Uruguay has a relation of cooperation and competition with Argentina. Rather than fighting for pole position, the government has proposed to the southern common market that in the future the two countries "jointly administer the deep-water ports, replacing competition with complementation and focusing on the specialization of each of the countries," explains Mr. Pintado.

## Connecting a knowledge-based society

Carolina Cosse, president of the National Telecommunications Administration (ANTEL) talks about the company's projects, goals, and the famous Plan Ceibal



Carolina Cosse, President of ANTEL

In September 2010 Anel launched a broadband project to offer one megabyte for the price of 512 kilobytes. What can you tell us about this and other projects to increase bandwidth?

What we've done is to double all ADSL broadband services from 256KB up to 1Mb. The 2MB has grown to 3MB and customers with 4MB enjoy reduced rates. This is a project that we finished last August, expanding international broadband that will allow us to offer this service. Also, in this way we are favoring the deployment of multimedia technologies, among which we're focusing on the generation of national contents.

As of October 15, 90% of ADSL services will have a minimum speed of 1MB per second. All new contracts will enjoy this speed, while all of our existing customers will be automatically transferred over.

Also, ANTEL has been negotiating for greater access to international bandwidth through various access routes.

**ANTEL aims to position Uruguay as a laboratory and a logistics 'hub' for new technologies. How do you intend to achieve this?**

I believe this is a really important objective as well as a tremendous opportunity for ANTEL. I've spoken on various occasions about incentivizing scientific and technological research in ANTEL. Whenever we have a technical issue to resolve, we could open a pilot project at the national level and work in conjunction with technicians and scientists from Brazil and Argentina, two countries with whom we collaborate often.

Last October, ANTEL launched the Idea Project: a first step in what will be a con-

tinuous research and development and innovation (R&D&I) project, in which all employees can present initiatives for innovation and research, having an impact on the company and/or the community. Now a commission is evaluating these ideas in order to propose to the board of directors their implementation. More than 200 initiatives were presented.

We've also got a company called ITC that offers consulting services in telecoms, which it markets to countries in the region and this is the road we'd like to take.

**As ANTEL still holds a monopoly in fixed telephony, in what ways do you consider the company to be competitive?**

The company competes whether its products and services have competition or not. I think we offer highly competitive products, especially in terms of the region.

**With its successful Plan Ceibal, the government of Uruguay is making access to computers and Internet a reality in schools throughout the country, and ANTEL is the company behind this connectivity. However, there are still about 200 schools without the service.**

So far, ANTEL has provided connectivity services for more than 2,400 public schools participating in the Plan Ceibal, among many other public places like plazas.

We lend our services to the schools through the coordination from the personnel at CITS [Center for Technological and Social Inclusion]. Of those 200 schools you mention, around 150 have no electricity, and about 30 of them rely on a private company - contracted by CITS - to connect to ANTEL's services.

That leaves us to resolve the problem at some 18 schools, which we're doing through a work schedule coordinated with CITS.

We're highly aware of the requirements demanded by Plan Ceibal and we've got a large team here at ANTEL working on meeting them.



Montevideo, Uruguay was chosen as headquarters of Mercosur, the common market of the south created in 1991

## Towards universal broadband

ANTEL, the state-owned telecommunications company, aims to connect the majority of Uruguay to the information age

It should come as no surprise that in the world's first country to achieve the 'one laptop per child' dream of Nicholas Negroponte, the national telecoms company is working to double Internet traffic speeds - at no extra cost to its customers.

Back in December, ANTEL, the National Telecommunications Administration, announced that new connectivity services for commercial purposes would have greater capacities in 2011, thanks to the deployment of fiber-to-the-home (FTTH) technology.

"ANTEL's policy is to share every achievement with its customers right away," explains Carolina Cosse, president of ANTEL.

Dating back to 1974, ANTEL is the leading force in

Uruguay's communications industry, providing fixed and cellular telephony, as well as Internet services.

One of the few public companies to survive the privatization movement of the early 1990s, ANTEL emerged strong and maintains its monopoly on landline phone services in the country. Although it does compete with private companies for cellular and Internet services, it still holds a dominant position over the market today, due in large part to owning the largest coverage and network. It closed 2009 with 1.7 million subscriptions to cellular services and 300,000 connections to ADSL.

In order to defend this privileged position, ANTEL will do all but remain complacent. The company will invest

US\$200 million this year, half of which will be destined to expanding broadband services and developing the 4G mobile network. For the second half of 2011, ANTEL aims to bring fiber optic connections to 30,000 homes, a number that pales in comparison to the target of 240,000 households by 2012.

A great deal of the company's energy is also currently being poured into a submarine cable connection under construction in collaboration with the Alcatel-Lucent/IT Telecom consortium.

The project will nearly pentuple ANTEL's existing capacity, thanks to an intermediary repeater-free cable that will run the 155 miles between Maldonado, Uruguay and Las Toninas, Argentina.

As the latter is the site chosen by all the region's submarine infrastructures as the cable landing point, ANTEL will be able to hook up with all present and future supra-regional submarine infrastructures, thereby ensuring that the company will be able to keep up with demand, even if this grows exponentially.

Of its recent finished projects, ANTEL highlights the 2009 inauguration of the first Data Center in Uruguay. Now a national reference for business and corporate solutions, the Data Center boasts the most advanced technology available and offers high-quality technological support for a variety of areas, including the financial sector, ISPs, large businesses and IT companies, and the health and public sectors.

ANTEL's headquarters are located in Uruguay's tallest building. This emblematic skyscraper, dubbed the Telecommunications Tower Complex, rises 35 storeys over Montevideo's seaside



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Uruguay's economic and political stability, along with its strategic location, make it the ideal place from which to conduct business with the region and the world. When it's time to invest, remember that Banco de Seguros del Estado (National Insurance Bank of Uruguay) provides the most trusted and reliable insurance services in Uruguay, based on its track record and leadership in the insurance market.



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