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## **Uruguay: Statistical Annex**

This Statistical Annex report on Uruguay was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Uruguay or the Executive Board of the IMF.

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# INTERNATIONAL MONETARY FUND

## URUGUAY

### Statistical Annex

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Approved by the Western Hemisphere Department

July 14, 1999

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Uruguay--Basic Data

**Social and demographic indicators**

Area	176,320 sq. kilometers
Population (first quarter 1998, estimate)	3.23 million
Annual rate of population increase (1980-95)	0.5 percent
Crude birth rate (1993)	17 per 1,000
Crude death rate (1993)	10 per 1,000
Infant mortality (1994)	19 per 1,000 live births
Population per physician (1992)	365
Population per hospital bed (1992)	238
Urban population with access to safe water (1992)	95 percent
Rural population with access to safe water (1992)	65 percent
Energy consumption per capita (1994)	623 kilograms of oil equivalent
Per capita protein intake (1991)	79 grams per day
Per capita intake of calories (1991)	2,791 per day
Primary school enrollment (1993)	109 percent
Unemployment rate (second quarter 1998)	10.1 percent

**GDP (1998)**

Ur\$218.1 billion  
US\$20.8 billion

**GDP per capita (1998)**

US\$6,449

	1994	1995	1996	1997	Prel. 1998
<b>Ratios to GDP</b>					
Exports of goods and nonfactor services	21.2	20.3	21.1	22.6	21.9
Imports of goods and nonfactor services	21.9	20.4	21.3	22.8	22.5
Current account of the balance of payments	-2.7	-1.2	-1.2	-1.4	-1.9
Central administration revenues	18.7	19.0	19.1	20.4	21.0
Central administration expenditure	19.5	19.2	19.8	20.6	20.8
Public sector savings (including losses of official banks)	2.6	2.6	2.0	2.3	3.4
Nonfinancial public sector overall surplus or deficit (-)	-2.4	-1.1	-1.2	-1.1	-0.6
Financial public sector balance	-0.6	-0.6	-0.6	-0.5	-0.5
Combined public sector balance	-3.0	-1.7	-1.8	-1.4	-0.9
Combined public sector balance -excluding the cost of the reforms	-3.0	-1.7	-1.1	0.1	0.4
External public debt (end of period) 1/	28.0	26.6	25.9	25.3	26.7
Total external debt (end of period) 1/	36.4	34.9	35.3	36.1	39.4
Total debt service ratio (in percent of exports of goods and nonfactor services)	30.4	30.9	28.0	16.5	14.1
Public interest payments (in percent of exports of goods and nonfactor services) 2/	9.7	10.1	8.6	8.3	8.9
National savings	11.1	11.8	11.4	11.3	13.9
Gross domestic investment	13.8	12.9	12.6	12.8	15.8
Money and quasi-money in domestic currency (M2)	7.7	7.1	7.3	7.5	7.9
<b>Annual changes in selected economic indicators</b>					
Real GDP per capita	5.7	-2.4	4.6	4.4	3.8
Real GDP	6.3	-1.8	5.3	5.1	4.5
GDP at current prices	50.6	39.5	33.1	23.7	15.7
Domestic expenditure (at current prices)	50.9	38.8	33.2	23.7	16.0
Investment	42.5	30.9	30.0	24.8	43.1
Consumption	52.3	40.0	33.6	23.6	12.1
GDP deflator	41.6	42.0	26.4	17.7	10.7
Wholesale prices (annual average)	34.2	37.6	25.0	16.4	9.3
Consumer prices (annual average)	41.5	40.4	31.5	19.3	11.4
Consumer prices (end of period)	44.1	35.4	24.3	15.2	8.6
Central administration expenditure 3/	51.5	38.9	31.6	25.0	17.1
Central administration current expenditure 3/	59.3	41.8	34.7	24.1	14.9
Central administration current expenditure	57.9	38.9	35.6	29.7	16.2
Money and quasi-money in domestic currency (M-2)	26.8	35.5	31.3	26.7	16.8
Money (M-1)	33.4	31.7	30.0	18.0	13.1
Quasi-money	37.9	31.6	40.5	29.9	21.2
Money and quasi-money in domestic and foreign currency (M-3) 3/	37.3	31.6	39.1	28.5	20.3
Real M-2	-12.0	0.1	5.7	10.0	7.6

	1994	1995	1996	1997	Prel. 1998
<b>Annual changes in selected economic indicators (continued)</b>					
Merchandise exports (f.o.b., in U.S. dollars)	16.3	12.2	14.0	14.1	1.4
Merchandise imports (f.o.b., in U.S. dollars)	22.7	4.3	15.7	11.5	2.8
Total external debt (in U.S. dollars)	5.9	6.3	6.8	7.2	8.2
External public debt (in U.S. dollars)	4.6	4.8	5.0	5.1	5.6
Terms of trade (deterioration -, period average)	4.5	0.2	-3.4	1.2	4.8
Nominal effective exchange rate (depreciation -, end of period)	59.8	-15.8	-15.3	-8.8	-4.9
Real effective exchange rate (depreciation -, end of period)	-2.7	4.0	-0.5	4.7	-0.5
<b>Central administration finances</b>					
Revenue	15,355	21,818	29,189	38,542	45,721
Current expenditure 3/	14,862	21,081	28,398	35,235	40,485
Current account 3/	493	737	791	3,307	5,236
Overall balance 3/	-1,724	-1,898	-2,022	-458	33
<b>Balance of payments</b>					
Merchandise exports (f.o.b.)	1,913	2,148	2,449	2,793	2,832
Merchandise imports (f.o.b.)	-2,600	-2,711	-3,135	-3,498	-3,594
Investment income (net)	-243	-227	-189	-193	-185
Other services and transfers (net)	491	578	642	610	547
Current account balance	-439	-213	-234	-287	-400
Public sector capital (net)	455	190	309	212	527
Private sector capital (net), including errors and omissions	222	232	69	400	235
Overall balance (deficit -)	238	209	144	325	362
Valuation adjustment 5/	0	0	0	0	0
Change in official net reserves (increase -)	-238	-209	-144	-325	-362
<b>International reserve position and external debt</b>					
Central Bank international reserves (gross)	1,659	1,819	1,909	2,068	2,589
(in months of imports) 6/	5.0	5.2	5.8	5.7	6.9
Financial system international reserves (net) 7/	15,847	19,474	26,403	33,374	38,690
Total external debt 8/	5,929	6,289	6,752	7,202	8,200
Public external debt	4,563	4,800	4,961	5,053	5,563
<b>IMF data (as of June 30, 1999)</b>					
Membership status					Article VIII
Intervention currency and rate					U.S. dollar at Ur\$11.4 per U.S. dollar
Quota					SDR 306.5 million
Fund holdings of new Uruguayan pesos					SDR 385.03 million
As percent of quota					143.9 percent
Reserve position in Fund					SDR 35.68 million
As percent of quota					11.6 percent
Total Fund credit					SDR 114.2 million
From Fund resources					SDR 114.2 million
Credit tranche purchases (including SBA)					SDR 114.2 million
From supplementary and enlarged access resources					
Stand-by purchases					0
Special Drawing Rights Department					
Cumulative SDR allocation					SDR 49.98 million
Net acquisition or utilization (-) of SDRs					SDR 49.98 million
Holdings of SDRs					SDR 0.33 million
Share of profits from gold sales					US\$10.9 million

1/ Excluding reserve liabilities of the Central Bank and foreign currency deposits by nonresidents.

2/ On public and publicly guaranteed debt; excludes foreign currency deposits of nonresidents, reserve liabilities of the Central Bank, and short-term amortization.

3/ Excludes the costs of reforms (principally severance payments).

4/ Includes foreign currency deposits of residents and nonresidents; foreign currency deposits converted at the end-of-period exchange rate.

5/ Includes an adjustment to allow for the difference between the price at which gold is bought or sold and the price at which it is valued for reserve purposes.

6/ Gold valued at market prices.

7/ Includes the Central Bank of Uruguay, the Bank of the Republic, the private commercial banks, and the mortgage bank.

8/ Includes private suppliers credits and excludes reserve liabilities of the commercial banks and deposits of nonresidents.

Table 1. Uruguay: National Accounts

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of Uruguayan pesos)						
<b>GDP at market prices</b>	<b>54,513</b>	<b>82,111</b>	<b>114,572</b>	<b>152,449</b>	<b>188,529</b>	<b>218,145</b>
<b>Domestic expenditure</b>	<b>54,769</b>	<b>82,653</b>	<b>114,700</b>	<b>152,755</b>	<b>189,024</b>	<b>219,293</b>
<b>Consumption</b>	<b>46,826</b>	<b>71,331</b>	<b>99,879</b>	<b>133,482</b>	<b>164,965</b>	<b>184,859</b>
Public sector	7,199	10,363	14,505	20,952	25,748	29,899
Private sector	39,627	60,968	85,374	112,531	139,217	154,960
<b>Gross domestic investment</b>	<b>7,944</b>	<b>11,323</b>	<b>14,820</b>	<b>19,273</b>	<b>24,060</b>	<b>34,434</b>
Fixed capital formation	7,543	10,512	13,192	17,940	22,581	27,761
Public sector	2,369	3,732	3,818	5,114	6,291	7,747
Construction	1,849	2,860	3,171	4,156	5,047	6,860
Machinery and equipment	520	872	647	958	1,244	887
Private sector	5,174	6,780	9,374	12,826	16,289	20,014
Construction	2,901	3,858	4,678	5,914	6,867	9,033
Land improvements	119	201	302	398	526	588
Machinery and equipment	2,155	2,721	4,393	6,514	8,896	10,393
Changes in stocks	401	811	1,628	1,332	1,479	6,673
<b>Balance of trade and nonfactor services</b>	<b>-256</b>	<b>-542</b>	<b>-127</b>	<b>-306</b>	<b>-496</b>	<b>-1,148</b>
Exports of goods and nonfactor services	11,308	17,423	23,275	32,169	42,580	47,829
Imports of goods and nonfactor services	-11,564	-17,965	-23,403	-32,475	-43,076	-48,977
(In percent of GDP)						
<b>GDP at market prices</b>	100.0	100.0	100.0	100.0	100.0	100.0
<b>Domestic expenditure</b>	100.5	100.7	100.1	100.2	100.3	100.5
<b>Consumption</b>	85.9	86.9	87.2	87.6	87.5	84.7
Public sector	13.2	12.6	12.7	13.7	13.7	13.7
Private sector	72.7	74.2	74.5	73.8	73.8	71.0
<b>Gross domestic investment</b>	14.6	13.8	12.9	12.6	12.8	15.8
Fixed capital formation	13.8	12.8	11.5	11.8	12.0	12.7
Public sector	4.3	4.5	3.3	3.4	3.3	3.6
Construction	3.4	3.5	2.8	2.7	2.7	3.1
Machinery and equipment	1.0	1.1	0.6	0.6	0.7	0.4
Private sector	9.5	8.3	8.2	8.4	8.6	9.2
Construction	5.3	4.7	4.1	3.9	3.6	4.1
Land improvements	0.2	0.2	0.3	0.3	0.3	0.3
Machinery and equipment	4.0	3.3	3.8	4.3	4.7	4.8
Changes in stocks	0.7	1.0	1.4	0.9	0.8	3.1
<b>Balance of trade and nonfactor services</b>	<b>-0.5</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.5</b>
Exports of goods and nonfactor services	20.7	21.2	20.3	21.1	22.6	21.9
Imports of goods and nonfactor services	-21.2	-21.9	-20.4	-21.3	-22.8	-22.5

Source: Central Bank of Uruguay.

Table 2. Uruguay: National Accounts at Constant Prices

(In millions of Uruguayan pesos at 1983 prices)

	1993	1994	1995	1996	1997	Prel. 1998
<b>GDP at market prices</b>	<b>242.4</b>	<b>257.7</b>	<b>253.2</b>	<b>266.6</b>	<b>280.1</b>	<b>292.6</b>
<b>Domestic expenditure</b>	<b>258.2</b>	<b>278.0</b>	<b>273.9</b>	<b>290.8</b>	<b>307.5</b>	<b>330.8</b>
<b>Consumption</b>	<b>222.2</b>	<b>239.3</b>	<b>233.2</b>	<b>250.7</b>	<b>264.7</b>	<b>274.6</b>
Public sector	31.2	32.6	32.6	34.3	35.2	36.4
Private sector	191.1	206.7	200.5	216.5	229.4	238.2
<b>Gross domestic investment</b>	<b>35.9</b>	<b>38.8</b>	<b>40.7</b>	<b>40.0</b>	<b>42.9</b>	<b>56.2</b>
Fixed capital formation	33.7	34.3	32.8	36.4	39.5	43.6
Public sector	10.8	11.9	8.4	9.0	9.5	10.1
Construction	7.6	8.1	6.3	6.5	6.9	8.2
Machinery and equipment	3.1	3.7	2.1	2.5	2.6	1.9
Private sector	23.0	22.5	24.4	27.4	30.0	33.5
Construction	10.7	10.2	9.1	9.1	9.2	10.6
Land improvements	0.7	0.9	1.1	1.1	1.2	1.2
Machinery and equipment	11.5	11.3	14.1	17.1	19.6	21.7
Changes in inventories	2.2	4.4	8.0	3.6	3.4	12.6
<b>Balance of trade and nonfactor services</b>	<b>-15.8</b>	<b>-20.3</b>	<b>-20.7</b>	<b>-24.2</b>	<b>-27.5</b>	<b>-38.2</b>
Exports of goods and nonfactor services	79.5	91.0	90.2	99.3	112.3	114.2
Imports of goods and nonfactor services	-95.3	-111.3	-110.9	-123.5	-139.8	-152.4

Source: Central Bank of Uruguay.



Table 3. Uruguay: Output and Expenditure in Constant 1983 Prices

(Annual percentage change)

	1993	1994	1995	1996	1997	Prel. 1998
<b>Gross domestic product</b>	<b>3.0</b>	<b>6.3</b>	<b>-1.8</b>	<b>5.3</b>	<b>5.1</b>	<b>4.5</b>
<b>Domestic expenditure</b>	<b>6.7</b>	<b>7.7</b>	<b>-1.5</b>	<b>6.2</b>	<b>5.8</b>	<b>7.6</b>
<b>Consumption</b>	<b>5.5</b>	<b>7.7</b>	<b>-2.6</b>	<b>7.5</b>	<b>5.6</b>	<b>3.8</b>
Public sector	0.9	4.5	0.2	5.0	2.8	3.4
Private sector	6.3	8.2	-3.0	8.0	6.0	3.8
<b>Gross domestic investment</b>	<b>14.2</b>	<b>7.9</b>	<b>5.1</b>	<b>-1.7</b>	<b>7.1</b>	<b>31.1</b>
<b>Fixed capital formation</b>	<b>16.3</b>	<b>1.8</b>	<b>-4.6</b>	<b>11.2</b>	<b>8.3</b>	<b>10.4</b>
Public sector	35.5	10.2	-29.1	7.1	5.6	6.1
Private sector	9.1	-2.1	8.4	12.6	9.3	11.8
Change in stocks 1/	-0.1	0.9	1.4	-1.7	-0.1	3.3
<b>Balance of trade and nonfactor services</b>	<b>-3.8</b>	<b>-1.9</b>	<b>-0.2</b>	<b>-1.4</b>	<b>-1.2</b>	<b>-3.8</b>
Exports of goods and nonfactor services	8.3	14.6	-0.9	10.1	13.1	1.7
Imports of goods and nonfactor services	18.8	16.8	-0.4	11.4	13.2	9.0

Source: Central Bank of Uruguay.

1/ Contribution to GDP growth.

Table 4. Uruguay: Saving and Investment

(As percent of GDP at current market prices)

	1993	1994	1995	1996	1997	Prel. 1998
<b>GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Domestic expenditure</b>	<b>100.5</b>	<b>100.7</b>	<b>100.1</b>	<b>100.2</b>	<b>100.3</b>	<b>100.5</b>
<b>Consumption</b>	<b>85.9</b>	<b>86.9</b>	<b>87.2</b>	<b>87.6</b>	<b>87.5</b>	<b>84.7</b>
Public sector	13.2	12.6	12.7	13.7	13.7	13.7
Private sector	72.7	74.2	74.5	73.8	73.8	71.0
<b>Gross domestic investment</b>	<b>14.6</b>	<b>13.8</b>	<b>12.9</b>	<b>12.6</b>	<b>12.8</b>	<b>15.8</b>
Fixed capital formation	13.8	12.8	11.5	11.8	12.0	12.7
Public sector	4.3	4.5	3.3	3.4	3.3	3.6
Private sector	9.5	8.3	8.2	8.4	8.6	9.2
Changes in stocks	0.7	1.0	1.4	0.9	0.8	3.1
<b>Gross national savings</b>	<b>12.0</b>	<b>11.1</b>	<b>11.8</b>	<b>11.4</b>	<b>11.3</b>	<b>13.9</b>
Public sector 1/	3.0	2.5	2.6	2.0	2.4	2.6
Private sector	9.0	8.6	9.2	9.4	8.9	11.3
<b>Current account balance</b>	<b>-2.6</b>	<b>-2.7</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.9</b>

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Public sector total revenue minus current expenditure; private saving is residual.

Table 5. Uruguay: Gross Domestic Product by Origin

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of Uruguayan pesos at 1983 prices)						
<b>GDP at market prices</b>	<b>242.4</b>	<b>257.7</b>	<b>253.2</b>	<b>266.6</b>	<b>280.1</b>	<b>292.6</b>
Primary activities	26.5	28.9	29.8	32.3	32.0	33.7
Agriculture, livestock, and forestry	26.2	28.6	29.5	32.0	31.6	33.4
Fishing	0.3	0.3	0.4	0.3	0.4	0.3
Secondary activities	59.3	61.6	58.7	61.1	64.5	69.3
Manufacturing	50.8	52.8	51.5	53.5	56.7	57.3
Construction	8.5	8.8	7.3	7.6	7.8	12.0
Services	155.6	162.6	161.3	168.5	177.0	185.3
Commerce, restaurants, and hotels	34.9	38.4	34.8	36.8	39.8	40.7
Transport and communications	20.1	23.2	24.7	26.1	27.3	28.7
Utilities	9.2	8.9	9.5	10.0	10.6	12.0
Finance, insurance and real estate	51.5	52.2	52.4	55.0	57.7	61.2
Other services	39.9	39.9	39.8	40.7	41.7	42.7
Adjustment	1.0	4.6	3.3	4.6	6.6	4.3
(In percent)						
<b>GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Primary activities	10.9	11.2	11.8	12.1	11.4	11.5
Agriculture, livestock, and forestry	10.8	11.1	11.6	12.0	11.3	11.4
Fishing	0.1	0.1	0.1	0.1	0.1	0.1
Secondary activities	24.5	23.9	23.2	22.9	23.0	23.7
Manufacturing	21.0	20.5	20.3	20.1	20.2	19.6
Construction	3.5	3.4	2.9	2.8	2.8	4.1
Services	64.2	63.1	63.7	63.2	63.2	63.3
Commerce, restaurants, and hotels	14.4	14.9	13.8	13.8	14.2	13.9
Transport and communications	8.3	9.0	9.8	9.8	9.7	9.8
Utilities	3.8	3.5	3.8	3.7	3.8	4.1
Finance, insurance and real estate	21.2	20.3	20.7	20.6	20.6	20.9
Other services	16.5	15.5	15.7	15.3	14.9	14.6
Adjustment	0.4	1.8	1.3	1.7	2.4	1.5
(Percent change)						
<b>GDP at market prices</b>	<b>3.0</b>	<b>6.3</b>	<b>-1.8</b>	<b>5.3</b>	<b>5.1</b>	<b>4.5</b>
Primary activities	-3.6	9.1	3.1	8.5	-1.2	5.5
Agriculture, livestock, and forestry	-3.7	9.2	3.0	8.6	-1.3	5.8
Fishing	0.0	0.0	17.3	-1.1	9.8	-21.5
Secondary activities	-5.6	3.9	-4.7	4.1	5.4	7.5
Manufacturing	-8.8	3.9	-2.5	4.1	5.8	1.1
Construction	19.7	3.5	-17.3	4.2	2.9	53.7
Services	5.3	4.5	-0.8	4.4	5.1	4.7
Commerce, restaurants, and hotels	16.7	10.0	-9.3	5.6	8.2	2.2
Transport and communications	11.7	15.4	6.5	5.4	4.7	5.2
Utilities	-1.1	-3.3	7.3	4.4	6.0	13.6
Finance, insurance, and real estate	0.8	1.4	0.5	4.9	4.9	6.1
Other services	1.3	0.0	-0.3	2.2	2.5	2.5

Source: Central Bank of Uruguay.

1/ Includes mining and quarrying.

2/ Includes commercial and personal services.

3/ Subtracts imputed earnings of financial intermediaries and adds import duties.

Table 6. Uruguay: Agricultural and Livestock Production 1/

(Percentage change)

	1993	1994	1995	1996	1997	1998
<b>Total agriculture and livestock</b>	<b>-2.8</b>	<b>7.4</b>	<b>3.8</b>	<b>9.8</b>	<b>-1.7</b>	<b>5.8</b>
<b>Agricultural products</b>	<b>-9.5</b>	<b>16.1</b>	<b>10.0</b>	<b>15.2</b>	<b>-2.9</b>	<b>9.2</b>
Cereals	-12.0	22.4	12.9	22.0	...	...
<i>Of which:</i>						
Wheat	3.6	38.8	-15.9	44.3	...	...
Corn	-28.3	15.2	21.1	38.0	...	...
Rice	0.5	10.3	22.6	4.6	...	...
Oilseed crops	11.3	44.2	8.1	2.4	...	...
Wine grapes	-21.5	1.9	14.5	7.7	...	...
Other	3.3	10.9	10.0	15.2	...	...
<b>Livestock products</b>	<b>2.6</b>	<b>1.2</b>	<b>-1.2</b>	<b>5.0</b>	<b>-0.5</b>	<b>2.8</b>
Beef	4.8	0.8	0.8	6.9	...	...
Other livestock	-8.9	7.4	12.7	-8.8	...	...
Wool	2.3	-9.2	-7.0	7.8	...	...
Milk	3.9	6.2	5.3	3.8	...	...
Other	0.3	24.3	-14.5	3.1	...	...

Source: Central Bank of Uruguay.

1/ Calendar year estimates.

Table 7. Uruguay: Selected Data on Acreage, Production, and Yield of Agricultural Products

(Production in thousand metric tons; acreage in thousand hectares;  
yield in metric tons per hectare)

	1993	1994	1995	1996	1997	Prel. 1998
<b>Cereals</b>						
<b>Wheat</b>						
Acreage	148.0	213.8	189.0	168.2	250.3	245.4
Production	340.9	342.5	485.0	392.9	649.7	504.8
Yield	2.303	1.602	2.566	2.336	2.596	2.057
<b>Corn</b>						
Acreage	65.3	51.0	44.2	59.0	61.3	60.3
Production	128.3	83.2	108.4	128.1	162.1	203.3
Yield	1.965	1.631	2.452	2.171	2.644	3.371
<b>Rice</b>						
Acreage	130.0	134.3	146.2	150.0	155.0	170.0
Production	650.0	620.1	804.1	967.5	1034.7	874.0
Yield	5.000	4.617	5.500	6.450	6.675	5.141
<b>Barley</b>						
Acreage	124.4	88.1	73.0	130.9	143.1	118.9
Production	306.9	129.0	177.0	329.0	340.6	198.6
Yield	2.467	1.464	2.425	2.513	2.380	1.670
<b>Sorghum</b>						
Acreage	40.5	25.7	42.6	32.9	38.8	30
Production	129.5	63.1	135.8	92.1	129.7	91.1
Yield	3.198	2.455	3.188	2.799	3.343	3.037
<b>Oilseeds and industrial crops</b>						
<b>Linseed</b>						
Acreage	2.7	2.5	0	0	0	0
Production	2.4	2.1	0.0	0.0	0.0	0.0
Yield	0.889	0.840	0.000	0.000	0.000	0.000
<b>Sunflower seed</b>						
Acreage	57.6	60.8	106.3	91.6	96.8	81
Production	52.4	61.6	119.6	112.3	114	78.5
Yield	0.910	1.013	1.125	1.226	1.178	0.969
<b>Sugarbeet</b>						
Acreage	0.9	0	0	0	0	0
Production	32	0	0	0	0	0
Yield	35.556	0.000	0.000	0.000	0.000	0.000
<b>Soybeans</b>						
Acreage	8.8	12	7.5	7.5	8	9
Production	17.5	22.5	14.0	14.0	14.0	16.8
Yield	1.989	1.875	1.867	1.867	1.750	1.867
<b>Sugarcane</b>						
Acreage	6.6	3.8	3.7	3.7	3.4	...
Production	303.6	205	181.2	188.4	194.6	...
Yield	46.000	53.947	48.973	50.919	57.235	...

Sources: Central Bank of Uruguay; and Ministry of Agriculture and Fishing.

Table 8. Uruguay: Production and Exports of Wool 1/

(In thousands of metric tons)

	1993	1994	1995	1996	1997	Prel. 1998
<b>Supply</b>	<b>93.3</b>	<b>91.3</b>	<b>92.4</b>	<b>96.4</b>	<b>85.4</b>	<b>79.8</b>
Production	89.9	81.6	75.9	81.8	75.5	67.7
Imports	3.4	9.7	16.5	14.6	9.9	12.1
<b>Demand</b>	<b>106.9</b>	<b>104.1</b>	<b>78.1</b>	<b>103.9</b>	<b>97.5</b>	<b>66.3</b>
Domestic	3.0	3.0	3.0	3.0	3.0	3.0
Exports	103.9	101.1	75.1	100.9	94.5	63.3
<b>Change in stocks</b>	<b>-13.6</b>	<b>-12.8</b>	<b>14.3</b>	<b>-7.5</b>	<b>-12.1</b>	<b>13.5</b>

Source: Central Bank of Uruguay.

1/ Greasy wool equivalent.

Table 9. Uruguay: Fishing Production and Exports

	Tonnage Caught	Exports	
		Tons	Millions of US\$
1993	113,320	65,728	73.5
1994	120,537	64,387	74.4
1995	126,120	65,350	82.2
1996	123,239	68,597	84.5
1997	133,212	80,035	92.5
1998	...	...	...
1996			
First quarter	21,780	16,285	16.4
Second quarter	33,604	14,021	18.8
Third quarter	36,824	20,927	25.4
Fourth quarter	31,031	17,364	23.9
1997			
First quarter	25,107	11,317	14.2
Second quarter	39,777	22,760	23.5
Third quarter	36,039	22,607	24.1
Fourth quarter	32,289	23,351	30.7
1998 (Prel.)			
First quarter	24,897	13,028	19.9
Second quarter	32,179	16,363	23.9
Third quarter	38,440	12,010	21.1
Fourth quarter	29,645	...	...

Source: Central Bank of Uruguay.

Table 10. Uruguay: Production and Consumption of Beef

	Production		Exports (Metric tons)	Consumption (Metric tons)
	Av. Weight (Kgs/Head)	Heads (Thousands)		
1990	490	1,559	185,454	149,098
1991	502	1,260	108,985	187,461
1992	506	1,334	109,828	218,789
1993	495	1,377	96,601	213,062
1994	484	1,612	146,209	215,190
1995	476	1,510	138,498	199,087
1996	483	1,840	205,361	201,600
1997	476	2,115	263,264	197,600
1998	473	2,045	250,268	192,700
1996				
First quarter	488	...	45,684	...
Second quarter	491	...	53,879	...
Third quarter	476	...	54,233	...
Fourth quarter	477	...	51,565	...
1997				
First quarter	489	...	63,613	...
Second quarter	486	...	75,609	...
Third quarter	456	...	66,907	...
Fourth quarter	469	...	57,135	...
1998				
First quarter	485	...	67,671	...
Second quarter	481	...	70,730	...
Third quarter	454	...	56,739	...
Fourth quarter	469	...	55,128	...

Source: Central Bank of Uruguay.



Table 11. Uruguay: Manufacturing Output

(Percentage change)

	1993	1994	1995	1996	1997
<b>Total manufacturing output</b>	<b>-8.9</b>	<b>4.0</b>	<b>-2.8</b>	<b>4.0</b>	<b>5.8</b>
<i>Of which:</i>					
Food processing	-6.6	9.6	3.0	9.6	5.4
Electrical machinery	-8.9	3.6	-2.0	24.3	21.6
Transportation equipment	-3.6	34.4	-49.8	-54.5	63.1
Petroleum derivatives 1/	-67.0	-93.1	4,440.9	16.2	-5.4
Textiles	-10.0	0.0	-19.4	-2.0	5.9
Chemicals	-4.4	6.7	-9.2	-0.5	-4.3
Beverages	2.7	0.2	-1.3	-1.8	9.6

Source: Central Bank of Uruguay.

1/ 1993 and 1994 reflects the closure of the oil refinery for refurbishment, production resumed in 1995.

Table 12. Uruguay: Index of Manufacturing Production

(Physical output; quarterly average 1983=100)

	1993	1994	1995	1996	1997	1998	1997				1998			
							I	II	III	IV	I	II	III	IV
Food	100.0	109.6	112.9	123.7	130.4	131.9	122.8	132.8	134.4	131.7	124.2	132.3	137.3	133.9
Beverages	131.5	131.8	130.1	127.7	140.0	138.4	145.7	128.3	112.3	173.8	136.6	113.2	126.4	177.6
Tobacco	135.1	134.7	120.6	134.0	147.3	167.0	123.3	152.2	158.6	155.3	161.1	149.6	176.9	180.5
Textiles	129.2	129.2	104.1	102.0	108.0	87.8	106.5	114.8	108.7	101.8	98.6	97.9	82.0	72.7
Clothing	97.6	88.0	76.6	79.1	89.3	75.6	72.4	112.6	90.5	81.6	79.5	86.6	63.8	72.5
Leather and leather products	62.0	75.4	73.5	88.9	76.3	74.2	70.4	78.7	79.0	77.1	74.0	78.3	76.5	68.1
Shoes	119.4	128.3	100.3	118.2	104.6	46.8	68.9	157.7	65.8	126.0	39.3	63.2	47.8	36.8
Paper and paper products	150.4	163.3	138.4	173.1	195.0	207.0	183.0	196.0	209.4	191.7	191.8	207.8	214.2	214.0
Printing	111.4	107.4	97.3	102.1	109.2	125.6	94.5	104.7	110.2	127.4	116.3	124.1	120.4	141.3
Chemicals	131.8	140.6	127.6	127.0	121.5	125.8	106.3	120.6	134.9	124.1	110.8	111.2	141.4	139.8
Oil refining	31.9	2.2	99.9	116.1	109.8	139.6	44.1	133.8	124.6	136.6	136.9	128.6	147.2	145.7
Rubber	142.5	144.6	149.8	127.9	152.5	116.2	148.7	168.1	157.7	135.5	114.1	141.0	139.2	70.4
Plastics	104.6	116.9	125.4	119.5	142.1	149.3	118.9	123.5	141.1	185.0	151.7	127.8	144.9	172.8
Clay and porcelain	463.4	530.7	473.8	450.0	454.1	369.7	479.6	435.5	435.7	465.5	363.7	378.7	305.1	431.3
Glass	169.8	112.7	92.6	84.8	92.4	78.7	99.3	104.5	72.1	93.6	90.7	42.0	77.5	104.4
Other nonmetallic mineral products	115.8	128.1	104.5	105.6	124.4	128.2	111.0	116.4	126.8	143.4	125.5	115.8	135.6	135.6
Metallics	101.2	92.7	87.8	86.1	94.0	98.0	53.8	104.4	105.0	112.6	64.0	106.5	111.1	110.3
Machinery and metallic products	109.1	123.1	90.2	84.6	80.9	71.0	64.9	89.5	90.9	78.2	69.0	73.2	66.4	75.5
Machinery and electric products	139.6	144.6	141.7	176.2	214.2	227.8	201.4	220.1	221.9	213.4	189.0	219.7	277.6	232.7
Transportation materials	314.2	422.3	211.9	96.5	157.4	313.5	56.6	134.3	202.6	236.2	228.4	326.1	373.1	326.3
Other manufacturing	90.2	94.9	89.9	92.5	98.7	102.6	85.5	101.7	102.0	105.4	96.2	99.6	107.1	107.3
Total	113.2	117.7	114.4	119.0	125.9	128.9	110.1	130.1	129.5	134.0	122.2	124.9	133.4	135.0
Year-on-year percentage change	-8.9	4.0	-2.8	4.0	5.8	2.4	-3.8	14.6	5.9	4.6	11.0	-4.0	3.0	0.7

Table 13. Uruguay: Output and Output per Hour in Manufacturing

(Percentage change over corresponding period of previous year)

	Manufacturing Output	Hours Worked	Output per Hour
1993	-11.7	-5.3	-6.1
1994	2.9	-5.7	9.1
1995	3.1	-10.1	14.8
1996	4.8	-4.5	9.7
1997	4.9	-0.1	5.0
1998			
1993			
1st quarter	-2.7	-9.8	7.9
2nd quarter	-16.1	-14.9	-1.5
3rd quarter	-16.6	2.3	-18.5
4th quarter	-10.9	1.4	-12.1
1994			
1st quarter	-14.0	-11.4	-2.8
2nd quarter	9.9	-5.4	16.2
3rd quarter	9.3	-1.8	11.3
4th quarter	7.5	-3.7	11.6
1995			
1st quarter	8.6	-3.4	12.4
2nd quarter	6.1	-9.2	16.9
3rd quarter	-4.9	-14.4	11.2
4th quarter	3.6	-13.1	19.2
1996			
1st quarter	10.6	-11.0	24.2
2nd quarter	-5.3	-7.9	2.9
3rd quarter	11.9	-0.3	12.2
4th quarter	3.3	1.7	1.6
1997			
1st quarter	-8.7	-1.0	-7.8
2nd quarter	14.9	2.6	12.0
3rd quarter	5.6	0.2	5.3
4th quarter	7.8	-2.2	10.3
1998 (Prel.)			
1st quarter	18.9	0.0	18.9
2nd quarter	-2.0	-7.9	6.4
3rd quarter	5.8	-7.9	14.9
4th quarter	1.8	-7.4	9.9

Sources: National Institute of Statistics; and Central Bank of Uruguay.

Table 14. Uruguay: Labor Force and Employment

(As a percentage of population 14 years of age and older)

	Labor Force			Employment		
	Male	Female	Total	Male	Female	Total
1990						
First half	74.6	48.3	60.0	69.7	42.6	54.7
Second half	74.4	46.5	59.1	68.5	41.0	53.4
1991						
First half	73.6	46.7	58.8	68.1	40.9	53.2
Second half	75.0	48.2	60.2	69.9	43.3	55.3
1992						
First half	73.2	47.5	59.0	68.1	41.4	53.2
Second half	73.4	49.3	60.0	68.8	44.0	55.0
1993						
First half	73.4	48.0	59.2	68.7	42.3	54.0
Second half	72.0	48.1	58.7	67.5	43.1	54.1
1994						
First half	73.8	48.0	59.7	68.8	42.8	54.6
Second half	75.6	49.8	61.4	70.2	43.3	55.3
1995						
First half	76.3	50.9	62.3	70.1	44.1	55.8
Second half	75.3	51.4	61.9	68.8	44.3	55.1
1996						
First half	73.7	51.2	61.3	66.1	43.5	53.6
Second half	78.3	52.9	62.0	65.5	45.5	54.5
1997						
First half	72.2	49.4	59.6	65.1	41.9	52.4
Second half	73.1	50.6	60.7	66.7	43.5	54.0
1998						
First half	73.3	51.3	61.1	68.1	44.6	55.1
Second half	73.8	51.8	61.8	67.2	45.3	55.2

Source: General Directorate of Statistics.

1/ For Montevideo.

Table 15. Uruguay: Unemployment Rate 1/  
(As a percentage of the labor force)

	Male	Female	Total
1990			
First half	6.7	11.7	8.9
Second half	8.0	11.9	9.7
1991			
First half	7.5	12.4	9.6
Second half	6.7	10.2	8.3
1992			
First half	7.1	13.0	9.7
Second half	6.3	10.7	8.3
1993			
First half	6.4	11.9	8.9
Second half	6.3	10.0	8.0
1994			
First half	6.7	10.9	8.5
Second half	7.2	13.0	9.8
1995			
First half	8.1	13.6	10.6
Second half	8.7	13.8	11.0
1996			
First half	10.3	15.2	12.6
Second half	10.7	13.9	12.2
1997			
First half	9.7	15.1	12.2
Second half	8.6	14.0	11.0
1998			
First half	7.1	13.0	9.8
Second half	9.0	12.5	10.6

Source: General Directorate of Statistics.

1/ For Montevideo.

Table 16. Uruguay: Price Movements

(Annual percentage change) 1/

	1993	1994	1995	1996	1997	1998
<b>Consumer prices</b>	<b>52.9</b>	<b>44.1</b>	<b>35.4</b>	<b>24.3</b>	<b>15.2</b>	<b>8.6</b>
Food	53.4	42.9	29.5	22.2	14.0	9.2
Housing	62.1	50.0	41.6	28.1	19.5	8.9
Clothing	35.9	30.8	33.7	16.1	7.1	8.0
<b>Wholesale prices</b>	<b>31.1</b>	<b>41.0</b>	<b>27.7</b>	<b>23.5</b>	<b>13.3</b>	<b>3.3</b>
Manufactures	34.7	34.9	31.3	21.6	13.0	5.4
Agricultural products	21.4	60.1	18.4	28.8	13.7	-2.9

Source: General Directorate of Statistics.

1/ End of period.



Table 17. Uruguay: Public Utility and Petroleum Prices

	Electricity		Water	Natural Gas	Montevideo Transport	Regular Gasoline	Gas Oil	Fuel Oil
	Household	Industrial						
II. End of Period Index Deflated by Cost of Living (1983=100)								
1990	93.7	93.7	53.0	137.2	80.8	169.7	200.4	286.5
1991	85.2	85.3	64.0	127.7	84.4	134.0	157.5	257.5
1992	81.0	80.6	66.0	110.2	82.9	130.9	114.0	200.0
1993	87.6	91.7	81.9	100.4	74.7	111.4	84.5	102.2
1994								
March	87.4	90.7	85.0	102.5	77.9	109.7	87.7	126.4
June	91.0	95.5	86.2	102.5	77.5	119.6	95.5	115.5
September	96.1	92.3	92.5	108.2	77.3	116.1	93.3	104.9
December	96.6	94.9	83.2	97.5	85.0	113.0	90.9	102.0
1995								
March	94.6	92.7	85.3	99.9	78.2	103.9	90.5	101.7
June	98.5	99.1	96.8	98.1	84.1	109.5	89.4	101.7
September	96.7	97.6	91.3	96.4	89.6	105.4	87.5	94.5
December	99.7	100.4	86.4	95.4	93.6	105.6	86.4	93.7
1996								
March	98.7	99.2	91.2	95.9	88.7	90.3	88.9	91.8
June	100.6	101.4	95.9	94.5	93.1	96.8	97.7	97.8
September	98.1	97.8	95.6	96.6	97.9	95.1	95.9	96.8
December	101.8	101.9	91.8	97.1	98.5	104.9	104.9	105.0
1997								
March	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
June	101.6	102.0	101.3	98.5	96.0	108.8	98.5	100.3
September	101.8	102.0	102.4	99.3	101.3	97.9	99.8	97.4
December	102.8	103.3	100.0	99.0	99.0	99.2	98.7	98.6
1998 (Prel.)								
March	103.4	103.9	101.8	99.5	103.8	97.0	96.4	96.3
June	101.3	101.7	99.7	99.6	101.6	95.0	94.4	94.3
September	100.3	102.2	101.2	98.2	98.9	92.4	91.9	91.7
December	99.2	101.0	100.1	99.1	97.8	91.4	90.9	90.7

Source: Central Bank of Uruguay.



Table 18. Uruguay: Wage Developments

(Percentage change over the corresponding period of the previous year; period average)

	Public Sector		Private Sector			Overall Wage Index	
	Nominal	Real 1/	Nominal	Real 1/	In US\$	Nominal	Real 1/
1993	66.2	7.4	59.0	3.3	22.1	61.7	4.8
1994	45.6	0.6	46.3	1.2	14.6	46.1	1.0
1995	38.6	-2.6	37.8	-3.1	9.6	38.1	-2.9
1996	32.0	2.9	28.5	0.1	2.4	29.3	0.7
1997	21.3	1.3	19.6	-0.2	1.0	20.1	0.3
1998	14.3	3.1	12.1	1.2	2.3	12.8	1.8
1994							
1st quarter	49.7	0.1	50.7	0.8	18.9	50.3	0.5
2nd quarter	45.6	0.7	49.3	3.3	18.1	47.9	2.3
3rd quarter	45.1	2.3	45.1	2.2	12.4	45.1	2.3
4th quarter	43.0	-0.7	41.3	-1.9	9.4	41.9	-1.4
1995							
1st quarter	43.5	-0.7	43.8	-0.5	12.4	43.7	-0.6
2nd quarter	39.3	-3.9	39.3	-3.9	9.6	39.3	-3.9
3rd quarter	36.6	-4.8	35.8	-5.3	9.5	36.1	-5.2
4th quarter	35.9	-0.9	34.0	-2.4	7.2	34.7	-1.8
1996							
1st quarter	32.8	-0.1	29.2	-2.8	2.6	30.0	-2.2
2nd quarter	33.7	3.1	30.5	0.6	3.3	31.1	1.1
3rd quarter	33.2	5.4	29.3	2.3	2.1	30.2	3.0
4th quarter	28.9	2.8	25.5	0.1	1.7	26.4	0.8
1997							
1st quarter	25.0	0.7	23.5	-0.5	2.1	24.0	-0.1
2nd quarter	22.5	0.9	20.6	-0.7	0.8	21.2	-0.2
3rd quarter	19.7	1.7	18.6	-0.3	1.2	18.9	0.0
4th quarter	18.8	2.7	16.4	0.6	0.4	17.1	1.3
1998							
1st quarter	17.7	3.8	14.9	1.3	2.2	15.8	2.1
2nd quarter	13.8	2.7	13.0	2.1	2.8	13.3	2.3
3rd quarter	14.4	3.9	11.1	0.9	2.1	12.1	1.8
4th quarter	11.5	2.1	9.9	0.5	2.2	10.4	1.0

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Deflated by the consumer price index.

Table 19. Uruguay: Public Sector Operations

	1994	1995	1996	1997	Prel. 1998
(In millions of Uruguayan pesos)					
<b>Revenue</b>	<b>26,349</b>	<b>37,503</b>	<b>49,060</b>	<b>62,130</b>	<b>73,495</b>
Taxes	17,272	24,041	32,203	42,777	50,312
VAT and excise taxes	9,394	13,529	17,904	23,594	27,327
On income and profits	3,367	4,583	6,483	8,765	11,079
On foreign trade	1,062	1,232	1,564	2,155	2,577
On property and other	3,449	4,697	6,252	8,263	9,329
Social security contributions 1/	6,076	8,421	10,492	12,166	14,285
Nontax revenue	903	1,489	2,145	2,351	2,771
Current surplus of public enterprises 2/	2,098	3,552	4,220	4,836	6,127
<b>Noninterest expenditure</b>	<b>27,179</b>	<b>36,693</b>	<b>48,582</b>	<b>60,819</b>	<b>71,082</b>
Current	22,663	31,793	42,868	53,383	61,792
Wages 3/	5,501	7,676	10,876	13,292	15,253
Goods and services	3,367	4,812	6,378	7,831	9,163
Social security benefits	11,906	17,472	23,298	30,371	35,622
Other	1,889	1,833	2,316	1,889	1,754
Capital (Government and enterprises)	4,516	4,900	5,714	7,436	9,290
<b>Primary balance</b>	<b>-830</b>	<b>810</b>	<b>478</b>	<b>1,311</b>	<b>2,413</b>
Interest	1,642	2,750	3,155	3,998	4,450
<b>Overall balance (deficit -)</b>	<b>-2,472</b>	<b>-1,940</b>	<b>-2,677</b>	<b>-2,687</b>	<b>-2,037</b>
(In percent of GDP)					
<b>Revenue</b>	<b>32.1</b>	<b>32.7</b>	<b>32.2</b>	<b>33.0</b>	<b>33.7</b>
Taxes	21.0	21.0	21.1	22.7	23.1
VAT and excise taxes	11.4	11.8	11.7	12.5	12.5
On income and profits	4.1	4.0	4.3	4.6	5.1
On foreign trade	1.3	1.1	1.0	1.1	1.2
On property and other	4.2	4.1	4.1	4.4	4.3
Social security contributions 1/	7.4	7.4	6.9	6.5	6.5
Nontax revenue	1.1	1.3	1.4	1.2	1.3
Current surplus of public enterprises 2/	2.6	3.1	2.8	2.6	2.8
<b>Noninterest expenditure</b>	<b>33.1</b>	<b>32.0</b>	<b>31.9</b>	<b>32.3</b>	<b>32.6</b>
Current	27.6	27.7	28.1	28.3	28.3
Wages 3/	6.7	6.7	7.1	7.1	7.0
Goods and services	4.1	4.2	4.2	4.2	4.2
Social security benefits	14.5	15.2	15.3	16.1	16.3
Other	2.3	1.6	1.5	1.0	0.8
Capital (Government and enterprises)	5.5	4.3	3.7	3.9	4.3
<b>Primary balance</b>	<b>-1.0</b>	<b>0.7</b>	<b>0.3</b>	<b>0.7</b>	<b>1.1</b>
Interest	2.0	2.4	2.1	2.1	2.0
<b>Overall balance (deficit -)</b>	<b>-3.0</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-0.9</b>
<b>Memorandum Items</b>					
Cost of reforms (percent of GDP)	0.0	0.0	0.6	1.4	1.3
Overall balance, excluding the cost of reforms	-3.0	-1.7	-1.1	0.1	0.4
GDP (millions of pesos)	82,111	114,571	152,449	188,528	218,145

Sources: Ministry of Finance; and Fund staff estimates.

1/ Excludes contributions that are transferred to the private pension funds.

2/ Before interest expenditures.

3/ Includes severance payments under the Reform of the State.

Table 20. Uruguay: Summary Operations of the Central Government

	1994	1995	1996	1997	Prel. 1998
(In millions of Uruguayan pesos)					
<b>Total revenue</b>	<b>15,355</b>	<b>21,818</b>	<b>29,189</b>	<b>38,542</b>	<b>45,721</b>
Import duties	1,067	1,260	1,564	2,155	2,577
Domestic taxes	12,481	18,217	24,518	31,843	37,725
<i>Of which</i> : collections from tax authority	11,906	16,727	22,734	29,889	35,195
Negotiated transfers from public enterprises 1/	575	573	794	1,593	1,994
Other nontax revenue	1,232	1,768	2,313	2,951	3,425
<b>Total noninterest expenditures</b>	<b>16,012</b>	<b>21,998</b>	<b>30,117</b>	<b>38,874</b>	<b>45,381</b>
Wages	4,352	5,499	7,627	9,413	10,764
Goods and services	2,381	3,437	4,142	5,234	6,274
Social security expenditures 2/	6,240	9,051	13,656	17,895	20,659
Transfers to social security administration	4,845	7,103	11,072	14,621	16,810
Police pensions	493	687	900	1,172	1,331
Military pensions	903	1,260	1,684	2,102	2,518
Other transfers and subsidies	821	1,375	1,879	2,567	2,481
Capital expenditures	2,217	2,635	2,813	3,765	5,203
<b>Primary balance</b>	<b>-657</b>	<b>-179</b>	<b>-928</b>	<b>-332</b>	<b>340</b>
Interest payments	1,067	1,719	2,047	2,845	3,092
<b>Overall balance</b>	<b>-1,724</b>	<b>-1,898</b>	<b>-2,975</b>	<b>-3,177</b>	<b>-2,752</b>
(In percent of GDP)					
<b>Total revenue</b>	<b>18.7</b>	<b>19.0</b>	<b>19.1</b>	<b>20.4</b>	<b>21.0</b>
Import duties	1.3	1.1	1.0	1.1	1.2
Domestic taxes	15.2	15.9	16.1	16.9	17.3
<i>Of which</i> : collections from tax authority	14.5	14.6	14.9	15.9	16.1
Negotiated transfers from public enterprises 1/	0.7	0.5	0.4	0.8	0.9
Other nontax revenue	1.5	1.5	1.5	1.5	1.5
<b>Total noninterest expenditures</b>	<b>19.5</b>	<b>19.2</b>	<b>19.8</b>	<b>20.6</b>	<b>20.8</b>
Wages	5.3	4.8	5.0	5.0	4.9
Goods and services	2.9	3.0	2.7	2.8	2.9
Social security expenditures 2/	7.6	7.9	9.0	9.5	9.5
Transfers to social security administration	5.9	6.2	7.3	7.8	7.7
Police pensions	0.6	0.6	0.6	0.6	0.6
Military pensions	1.1	1.1	1.1	1.1	1.2
Other transfers and subsidies	1.0	1.2	1.2	1.4	1.1
Capital expenditures	2.7	2.3	1.8	2.0	2.4
<b>Primary balance</b>	<b>-0.8</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.2</b>	<b>0.2</b>
Interest payments	1.3	1.5	1.3	1.5	1.4
<b>Overall balance</b>	<b>-2.1</b>	<b>-1.7</b>	<b>-2.0</b>	<b>-1.7</b>	<b>-1.2</b>
<b>Memorandum items</b>					
<b>Cost of reforms</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>1.1</b>	<b>1.2</b>
Central administration reform	0.0	0.0	0.1	0.3	0.3
Contribution to AFAPs	0.0	0.0	0.4	0.8	0.9

Sources: Ministry of Finance; and Fund staff estimates.

1/ In addition to statutory tax obligations.

2/ Includes employer contribution for central administration employees.

Table 21. Uruguay: Summary Operations of the Social Security System

	1994	1995	1996	1997	Prel. 1998
(In millions of Uruguayan pesos)					
<b>Revenue</b>	<b>12,539</b>	<b>17,761</b>	<b>23,867</b>	<b>30,491</b>	<b>35,685</b>
Contributions and taxes	7,677	10,643	12,854	15,962	18,932
Transfers from the central government	4,862	7,117	11,013	14,529	16,753
<b>Expenditure</b>	<b>12,486</b>	<b>17,760</b>	<b>23,812</b>	<b>30,548</b>	<b>35,748</b>
Wages	370	573	775	758	850
Goods and services	328	458	554	501	503
Capital spending	...	...	...	50	128
Benefits	10,803	15,355	19,952	25,212	29,235
Pensions	8,706	12,374	16,079	20,285	23,369
Other social security benefits	2,097	2,981	3,873	4,927	5,866
Transfers 1/	985	1,375	2,531	4,027	5,033
<b>Balance (deficit -)</b>	<b>53</b>	<b>0</b>	<b>55</b>	<b>-57</b>	<b>-63</b>
(In percent of GDP)					
<b>Revenue</b>	<b>15.3</b>	<b>15.5</b>	<b>15.7</b>	<b>16.2</b>	<b>16.4</b>
Contributions and taxes	9.3	9.3	8.4	8.5	8.7
Transfers from the central government	5.9	6.2	7.2	7.7	7.7
<b>Expenditure</b>	<b>15.2</b>	<b>15.5</b>	<b>15.6</b>	<b>16.2</b>	<b>16.4</b>
Wages	0.5	0.5	0.5	0.4	0.4
Goods and services	0.4	0.4	0.4	0.3	0.2
Capital spending	...	...	...	0.0	0.1
Benefits	13.2	13.4	13.1	13.4	13.4
Pensions	10.6	10.8	10.5	10.8	10.7
Other social security benefits	2.6	2.6	2.5	2.6	2.7
Transfers 1/	1.2	1.2	1.7	2.1	2.3
<b>Balance (deficit -)</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Sources: Social Security Administration (BPS) and Ministry of Economy.

1/ Includes transfers to the Treasury of taxes collected by the social security administration and transfers to the private pension funds.

Table 22. Uruguay: Local Government Finances

	1994	1995	1996	1997	Est. 1998
(In millions of Uruguayan pesos)					
<b>Revenue</b>	<b>2,792</b>	<b>3,895</b>	<b>5,159</b>	<b>6,586</b>	<b>7,726</b>
Taxes	2,710	3,781	5,006	6,396	7,663
Other	82	115	153	190	63
<b>Expenditure</b>	<b>2,842</b>	<b>3,857</b>	<b>5,101</b>	<b>6,308</b>	<b>7,313</b>
Wages	1,150	1,604	2,177	2,693	3,135
Goods and services	903	1,260	1,608	1,989	2,260
Social security expenses	246	344	491	608	690
Other	234	328	479	593	679
Capital	309	321	345	426	549
<b>Primary balance (deficit -)</b>	<b>-50</b>	<b>39</b>	<b>58</b>	<b>278</b>	<b>413</b>
Interest	24	33	44	54	63
<b>Overall balance (deficit -)</b>	<b>-74</b>	<b>6</b>	<b>14</b>	<b>224</b>	<b>350</b>
(In percent of GDP)					
<b>Revenue</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.5</b>	<b>3.5</b>
Taxes	3.3	3.3	3.3	3.4	3.5
Other	0.1	0.1	0.1	0.1	0.0
<b>Expenditure</b>	<b>3.5</b>	<b>3.4</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>
Wages	1.4	1.4	1.4	1.4	1.4
Goods and services	1.1	1.1	1.1	1.1	1.0
Social security expenses	0.3	0.3	0.3	0.3	0.3
Other	0.3	0.3	0.3	0.3	0.3
Capital	0.4	0.3	0.2	0.2	0.3
<b>Primary balance (deficit -)</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>
Interest	0.0	0.0	0.0	0.0	0.0
<b>Overall balance (deficit -)</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>

Sources: Ministry of Economy.

Table 23. Uruguay: Consolidated Public Sector Enterprises and Autonomous Agencies

	1994	1995	1996	1997	Est. 1998
(In millions of Uruguayan pesos)					
<b>Revenues</b>	<b>9,719</b>	<b>14,720</b>	<b>21,253</b>	<b>26,392</b>	<b>30,079</b>
Current	9,642	14,614	21,068	26,189	29,780
Sales	9,359	14,095	20,397	25,411	28,931
Other	222	331	471	585	659
Transfers from the central government	61	189	201	193	190
Capital	77	106	185	203	299
<b>Expenditure</b>	<b>9,692</b>	<b>13,126</b>	<b>19,999</b>	<b>25,208</b>	<b>27,678</b>
Wages	1,456	1,996	3,076	3,866	3,737
Goods and services	2,875	4,123	6,766	7,692	7,571
Taxes	1,670	2,797	4,362	5,442	6,366
Import duties	187	356	586	817	417
Profit taxes	155	422	664	910	1,876
Discretionary transfers to central government	593	553	503	1,479	1,724
Social security expenses	601	864	1,302	1,591	1,919
Capital	2,155	2,015	2,741	3,410	4,069
<b>Primary balance</b>	<b>27</b>	<b>1,594</b>	<b>1,254</b>	<b>1,184</b>	<b>2,401</b>
Interest	291	511	172	208	758
<b>Overall balance</b>	<b>-264</b>	<b>1,083</b>	<b>1,082</b>	<b>976</b>	<b>1,644</b>
(In percent of GDP)					
<b>Revenues</b>	<b>11.8</b>	<b>12.8</b>	<b>13.9</b>	<b>14.0</b>	<b>13.8</b>
Current	11.7	12.8	13.8	13.9	13.6
Sales	11.4	12.3	13.4	13.5	13.3
Other	0.3	0.3	0.3	0.3	0.3
Transfers from the central government	0.1	0.2	0.1	0.1	0.1
Capital	0.1	0.1	0.1	0.1	0.1
<b>Expenditure</b>	<b>11.8</b>	<b>11.5</b>	<b>13.1</b>	<b>13.4</b>	<b>12.7</b>
Wages	1.8	1.7	2.0	2.1	1.7
Goods and services	3.5	3.6	4.4	4.1	3.5
Taxes	2.0	2.4	2.9	2.9	2.9
Import duties	0.2	0.3	0.4	0.4	0.2
Profit taxes	0.2	0.4	0.4	0.5	0.9
Discretionary transfers to central government	0.7	0.5	0.3	0.8	0.8
Social security expenses	0.7	0.8	0.9	0.8	0.9
Capital	2.6	1.8	1.8	1.8	1.9
<b>Primary balance</b>	<b>0.0</b>	<b>1.4</b>	<b>0.8</b>	<b>0.6</b>	<b>1.1</b>
Interest	0.4	0.4	0.1	0.1	0.3
<b>Overall balance</b>	<b>-0.3</b>	<b>0.9</b>	<b>0.7</b>	<b>0.5</b>	<b>0.8</b>
<b>Memorandum item</b>					
Severance payments	0	0	202	545	93

Sources: Ministry of Economy and Office of Budget and Planning.

Table 24. Uruguay: Quasi Fiscal Result of the Central Bank

	1994	1995	1996	1997	Est. 1998
(In millions of Uruguayan pesos)					
<b>Revenue</b>	<b>594</b>	<b>948</b>	<b>1,282</b>	<b>1,586</b>	<b>1,646</b>
Interest on international reserves	187	392	577	668	851
Receipts on other foreign currency assets	372	516	698	882	782
Receipts on peso assets	35	40	7	36	13
<b>Expenditure</b>	<b>1,113</b>	<b>1,623</b>	<b>2,129</b>	<b>2,539</b>	<b>2,732</b>
Operating costs	139	276	371	537	630
Wages	106	211	297	430	504
Goods and services	33	65	74	107	126
Interest on foreign debt	502	700	1,359	1,412	1,528
Interest on peso debt	441	553	329	401	327
Other expenses on foreign currency liabilities	23	78	53	165	233
Other expenses in pesos	8	16	17	24	14
<b>Overall balance (deficit -)</b>	<b>-519</b>	<b>-675</b>	<b>-847</b>	<b>-953</b>	<b>-1,086</b>
(In percent of GDP)					
<b>Revenue</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
Interest on international reserves	0.2	0.3	0.4	0.4	0.4
Receipts on other foreign currency assets	0.5	0.5	0.5	0.5	0.4
Receipts on peso assets	0.0	0.0	0.0	0.0	0.0
<b>Expenditure</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>
Operating costs	0.2	0.2	0.2	0.3	0.3
Wages	0.1	0.2	0.2	0.2	0.2
Goods and services	0.0	0.1	0.0	0.1	0.1
Interest on foreign debt	0.6	0.6	0.9	0.7	0.7
Interest on peso debt	0.5	0.5	0.2	0.2	0.1
Other expenses on foreign currency liabilities	0.0	0.1	0.0	0.1	0.1
Other expenses in pesos	0.0	0.0	0.0	0.0	0.0
<b>Overall balance (deficit -)</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.5</b>

Source: Central Bank of Uruguay.

Table 25. Uruguay: Collections of the Central Tax Authority

(In millions of Uruguayan pesos)

	1994	1995	1996	1997	Prel. 1998
<b>Value Added Tax</b>	<b>6,562</b>	<b>9,799</b>	<b>13,004</b>	<b>17,088</b>	<b>20,014</b>
Domestic	4,222	6,304	8,366	10,013	12,013
On imports	2,341	3,496	4,639	7,075	8,002
<b>Excise Taxes</b>	<b>2,832</b>	<b>3,729</b>	<b>4,899</b>	<b>6,505</b>	<b>7,312</b>
Gasoline	1,170	1,683	2,428	3,111	3,487
Tabacco	716	825	1,044	1,344	1,513
Automobiles	290	428	528	949	1,205
Other 1/	656	793	900	1,101	1,107
Corporate Income Tax	1,403	2,076	3,142	3,814	5,199
Agricultural Income Tax	20	41	24	2	2
<b>Wealth Taxes</b>	<b>592</b>	<b>781</b>	<b>1,145</b>	<b>1,882</b>	<b>1,785</b>
Corporate	456	602	883	1,572	1,448
Personal	92	121	177	143	153
Agricultural	44	58	85	167	184
Foreign exchange tax	60	92	123	161	196
Meat inspection and sanitation tax	13	20	24	28	35
Wealth transfer tax	204	271	344	437	465
Taxes on contracts	120	171	235	253	277
Comissions	89	112	140	182	228
Other Taxes 2/	417	446	1,089	1,552	1,876
<b>Gross Receipts</b>	<b>12,312</b>	<b>17,538</b>	<b>24,170</b>	<b>31,904</b>	<b>37,390</b>
Adjustments	519	858	1,436	2,015	2,196
<b>Net Receipts</b>	<b>11,792</b>	<b>16,679</b>	<b>22,734</b>	<b>29,889</b>	<b>35,195</b>

Source: Ministry of Economy and Finance.

1/ Includes Import Commitments

2/ Includes Taxes on Agricultural Sales and Bank Assets.



Table 26. Uruguay: Operations of the Public Enterprises and Autonomous Agencies

(In millions of Uruguayan pesos)

	1994	1995	1996	1997	Est. 1998
<b>I. State Telephone Company (ANTEL)</b>					
<b>Revenues</b>	<b>2,103</b>	<b>3,251</b>	<b>4,977</b>	<b>6,396</b>	<b>7,854</b>
Current	2,103	3,251	4,977	6,396	7,854
Sales	2,060	3,184	4,874	6,264	7,691
Other	43	67	103	132	162
Transfers from the central government	0	0	0	0	0
Capital	0	0	0	0	0
<b>Expenditure</b>	<b>2,007</b>	<b>2,782</b>	<b>4,353</b>	<b>6,066</b>	<b>7,337</b>
Wages	307	433	642	765	928
Goods and services	356	499	826	1,253	1,750
Taxes	231	385	639	911	1,111
Import duties	147	245	405	579	109
Profit taxes	14	24	40	57	775
Discretionary transfers to central government	129	259	324	761	1,056
Social security expenses	138	196	296	435	550
Capital	686	741	1,181	1,305	1,057
<b>Primary balance</b>	<b>96</b>	<b>469</b>	<b>624</b>	<b>330</b>	<b>517</b>
Interest	37	33	43	61	66
<b>Overall balance</b>	<b>59</b>	<b>436</b>	<b>580</b>	<b>270</b>	<b>451</b>
<b>II. State Power Company (UTE)</b>					
<b>Revenues</b>	<b>2,794</b>	<b>4,478</b>	<b>6,501</b>	<b>7,902</b>	<b>9,089</b>
Current	2,735	4,372	6,328	7,715	8,865
Sales	2,679	4,283	6,199	7,557	8,683
Other	56	89	129	158	181
Transfers from the central government	0	0	0	0	0
Capital	59	106	173	187	225
<b>Expenditure</b>	<b>2,599</b>	<b>3,492</b>	<b>5,665</b>	<b>7,445</b>	<b>7,623</b>
Wages	494	678	1,026	1,478	1,172
Goods and services	659	885	1,823	2,045	1,483
Taxes	72	405	750	948	1,322
Import duties	11	64	119	151	210
Profit taxes	40	226	419	529	738
Discretionary transfers to central government	303	101	179	406	388
Social security expenses	203	287	452	531	639
Capital	815	845	897	1,357	1,671
<b>Primary balance</b>	<b>195</b>	<b>986</b>	<b>835</b>	<b>457</b>	<b>1,467</b>
Interest	240	438	87	97	595
<b>Overall balance</b>	<b>-45</b>	<b>548</b>	<b>749</b>	<b>359</b>	<b>871</b>

Table 26. Uruguay: Operations of the Public Enterprises and Autonomous Agencies

(In millions of Uruguayan pesos)

	1994	1995	1996	1997	Est. 1998
<b>III. Petroleum, Alcohol and Cement Company (ANCAP)</b>					
<b>Revenues</b>	<b>3,542</b>	<b>5,111</b>	<b>7,308</b>	<b>8,887</b>	<b>9,622</b>
<b>Current</b>	<b>3,542</b>	<b>5,111</b>	<b>7,308</b>	<b>8,887</b>	<b>9,622</b>
Sales	3,484	5,028	7,189	8,743	9,466
Other	58	83	119	144	156
Transfers from the central government	0	0	0	0	0
<b>Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure</b>	<b>3,831</b>	<b>5,037</b>	<b>7,354</b>	<b>8,515</b>	<b>9,372</b>
Wages	210	290	525	535	549
Goods and services	1,574	2,229	3,546	3,725	3,545
Taxes	1,357	1,960	2,950	3,553	3,899
Import duties	17	25	38	45	50
Profit taxes	37	53	79	96	105
Discretionary transfers to central government	153	193	0	313	285
Social security expenses	98	139	184	201	282
Capital	385	149	33	47	657
<b>Primary balance</b>	<b>-289</b>	<b>74</b>	<b>-46</b>	<b>373</b>	<b>250</b>
Interest	2	12	0	0	0
<b>Overall balance</b>	<b>-291</b>	<b>62</b>	<b>-46</b>	<b>373</b>	<b>250</b>
<b>IV. National Railways Company (AFE)</b>					
<b>Revenues</b>	<b>125</b>	<b>253</b>	<b>315</b>	<b>325</b>	<b>375</b>
<b>Current</b>	<b>52</b>	<b>76</b>	<b>107</b>	<b>116</b>	<b>111</b>
Sales	33	48	68	74	70
Other	19	28	39	42	40
Transfers from the central government	55	177	196	193	190
<b>Capital</b>	<b>18</b>	<b>0</b>	<b>12</b>	<b>15</b>	<b>75</b>
<b>Expenditure</b>	<b>129</b>	<b>244</b>	<b>287</b>	<b>327</b>	<b>341</b>
Wages	74	132	168	210	211
Goods and services	36	92	108	104	108
Taxes	0	0	0	0	0
Import duties	0	0	0	0	0
Profit taxes	0	0	0	0	0
Discretionary transfers to central government	0	0	0	0	0
Social security expenses	0	0	0	0	0
Capital	19	20	10	12	22
<b>Primary balance</b>	<b>-4</b>	<b>9</b>	<b>29</b>	<b>-2</b>	<b>30</b>
Interest	2	8	9	9	7
<b>Overall balance</b>	<b>-6</b>	<b>1</b>	<b>20</b>	<b>-11</b>	<b>27</b>

Table 26. Uruguay: Operations of the Public Enterprises and Autonomous Agencies

(In millions of Uruguayan pesos)

	1994	1995	1996	1997	Est. 1998
<b>V. National Port Administration (ANP)</b>					
<b>Revenues</b>	<b>310</b>	<b>385</b>	<b>443</b>	<b>589</b>	<b>666</b>
Current	310	386	443	589	666
Sales	286	357	409	544	615
Other	24	29	34	45	51
Transfers from the central government	0	-1	0	0	0
Capital	0	0	0	0	0
<b>Expenditure</b>	<b>289</b>	<b>383</b>	<b>450</b>	<b>494</b>	<b>590</b>
Wages	139	136	192	209	220
Goods and services	71	102	102	112	164
Taxes	9	45	20	23	30
Import duties	0	0	0	0	0
Profit taxes	0	0	0	0	0
Discretionary transfers to central government	8	0	0	0	4
Social security expenses	47	59	73	85	103
Capital	15	40	65	65	69
<b>Primary balance</b>	<b>21</b>	<b>2</b>	<b>-7</b>	<b>95</b>	<b>41</b>
Interest	2	7	8	10	7
<b>Overall balance</b>	<b>19</b>	<b>-5</b>	<b>-15</b>	<b>86</b>	<b>34</b>
<b>VI. Sanitary Works Company (OSE)</b>					
<b>Revenues</b>	<b>814</b>	<b>1,201</b>	<b>1,663</b>	<b>2,242</b>	<b>2,415</b>
Current	812	1,198	1,663	2,242	2,415
Sales	789	1,165	1,617	2,179	2,347
Other	23	33	46	62	67
Transfers from the central government	2	3	0	0	0
Capital	0	0	0	0	0
<b>Expenditure</b>	<b>815</b>	<b>1,158</b>	<b>1,846</b>	<b>2,316</b>	<b>2,390</b>
Wages	220	308	493	639	633
Goods and services	178	315	359	450	515
Taxes	1	2	2	3	3
Import duties	12	22	23	43	48
Profit taxes	63	119	126	229	258
Discretionary transfers to central government	0	0	0	0	0
Social security expenses	112	178	289	332	341
Capital	230	215	553	621	591
<b>Primary balance</b>	<b>-1</b>	<b>43</b>	<b>-182</b>	<b>-75</b>	<b>25</b>
Interest	8	13	26	31	75
<b>Overall balance</b>	<b>-9</b>	<b>30</b>	<b>-208</b>	<b>-106</b>	<b>-50</b>

Table 26. Uruguay: Operations of the Public Enterprises and Autonomous Agencies

(In millions of Uruguayan pesos)

	1994	1995	1996	1997	Est. 1998
VII. National Colonization Institute (INC)					
<b>Revenues</b>	<b>31</b>	<b>41</b>	<b>46</b>	<b>51</b>	<b>59</b>
<b>Current</b>	<b>27</b>	<b>31</b>	<b>42</b>	<b>51</b>	<b>59</b>
Sales	27	31	41	50	59
Other	0	0	0	0	0
Transfers from the central government	4	10	5	0	0
<b>Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure</b>	<b>22</b>	<b>30</b>	<b>44</b>	<b>45</b>	<b>26</b>
Wages	13	19	31	30	25
Goods and services	1	2	2	2	6
Taxes	0	0	2	3	0
Import duties	0	0	0	0	0
Profit taxes	0	0	0	0	0
Discretionary transfers to central government	0	0	0	0	-10
Social security expenses	3	5	7	7	4
Capital	5	5	1	3	0
<b>Primary balance</b>	<b>9</b>	<b>11</b>	<b>2</b>	<b>5</b>	<b>33</b>
Interest	3	5	7	7	8
<b>Overall balance</b>	<b>6</b>	<b>6</b>	<b>-5</b>	<b>-1</b>	<b>25</b>

Sources: Office of Planning and Budget; Central Bank of Uruguay; and Fund staff estimates.

1/ Includes changes in stocks.

2/ Privatized in 1995. In 1997 Indemnization outlays amounted Ur \$8 million, included in the overall balance of public enterprises.

Table 27. Uruguay: Functional Classification of Central Government Expenditure

	1993	1994	1995	1996	1997
(In millions of Uruguayan pesos)					
<b>Total expenditure</b>	<b>18,103</b>	<b>28,717</b>	<b>35,390</b>	<b>47,914</b>	<b>59,743</b>
General public services	1,575	2,420	3,228	4,863	5,978
Defense 1/	974	2,083	1,816	2,228	2,638
Education	1,188	1,875	2,454	3,183	4,314
Health	862	1,661	2,141	2,880	3,513
Social Security and welfare	11,219	17,397	21,169	29,614	36,061
Housing	48	54	636	798	852
Other social services	139	112	144	205	279
Economic services	1,294	2,011	2,041	2,510	3,712
Unallocated and other purposes	1,187	1,630	2,402	2,805	3,780
Public debt interest	866	1,614	2,007	1,993	3,005
Other	321	16	395	812	775
Adjustment to total expenditure	-383	-526	-641	-1,172	-1,384
(In percent of total)					
<b>Total expenditure</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
General public services	8.7	8.4	9.1	10.1	10.0
Defense	5.4	7.3	5.1	4.6	4.4
Education	6.6	6.5	6.9	6.6	7.2
Health	4.8	5.8	6.0	6.0	5.9
Social Security and welfare	62.0	60.6	59.8	61.8	60.4
Housing	0.3	0.2	1.8	1.7	1.4
Other social services	0.8	0.4	0.4	0.4	0.5
Economic services	7.1	7.0	5.8	5.2	6.2
Public debt interest	4.8	5.6	5.7	4.2	5.0
Other expenditure	1.8	0.1	1.1	1.7	1.3
(In percent of GDP)					
<b>Memorandum items</b>					
Expenditure in defense	1.8	2.5	1.6	1.5	1.4
Expenditure in education	2.2	2.3	2.2	2.1	2.3
Expenditure in health	1.6	2.0	1.9	1.9	1.9

Sources: International Monetary Fund, Government Finance Statistics Yearbook.

1/ Excludes extrabudgetary outlays.

Table 28. Uruguay: Employment in the Public Sector, 1993-98

(In thousands of employees)

	1993	1994	1995	1996	1997	1998 1/
Central administration	103.4	105.6	101.5	97.5	96.6	94.9
Local administration	37.3	38.5	38.2	37.4	37.4	37.4
Official banks	10.1	9.7	9.7	9.1	9.0	8.5
Public enterprises	33.5	32.2	30.6	30.2	27.4	26.2
Education	58.0	58.0	67.9	68.3	67.8	70.1
Legislative	1.3	1.3	1.7	1.5	1.5	1.5
Judiciary power	5.4	5.5	5.3	5.5	5.5	5.5
BPS	5.6	5.5	5.3	4.6	4.4	4.5
Total	254.4	256.2	260.1	254.2	249.6	248.6

Source: National Office of the Civil Service.

1/ June 1998.

Table 29. Selected Monetary and Credit Indicators

	December					
	1993	1994	1995	1996	1997	1998
(Percentage change with respect to a year ago)						
Monetary aggregates 1/						
Currency	62.2	43.3	30.6	21.7	23.4	10.9
M-1	65.9	33.4	31.7	30.0	18.0	13.1
M-2	58.8	26.8	35.5	31.3	26.7	16.8
M-3* 2/	41.8	41.2	27.0	37.6	34.9	20.1
M-3 2/	36.0	37.3	31.6	39.1	28.5	20.3
M-4* 2/	41.9	41.2	32.1	36.9	29.1	19.4
M-4 2/	36.7	37.7	33.5	37.7	27.2	19.8
Credit aggregates 3/						
Total banking system credit	48.3	41.5	41.2	31.4	31.2	19.3
Of which: private sector credit	47.4	42.0	47.9	37.6	35.5	26.7
Real money holdings						
M-1	8.5	-7.5	-2.7	4.6	2.4	4.2
M-2	3.8	-12.0	0.1	5.7	10.0	7.6
M-3* 2/	-7.3	-2.0	-6.2	10.7	17.1	10.6
M-3 2/	-11.0	-4.7	-2.8	11.9	11.5	10.8
M-4* 2/	-7.2	-2.0	-2.4	10.1	12.1	10.0
M-4 2/	-10.6	-4.4	-1.4	10.8	10.4	10.3
(In percent)						
Selected ratios						
Monetary base to GDP 4/	5.0	4.6	4.4	4.2	4.1	3.8
M1 to GDP 5/	5.2	4.8	4.7	4.7	4.5	4.6
M2 to GDP 5/	8.4	7.7	7.1	7.3	7.5	7.9
M4 to GDP 5/	51.3	46.4	45.3	46.0	49.5	52.8
M4* to GDP 5/	34.3	32.2	27.9	26.7	35.9	38.3
Selected interest rates (12-month averages)						
Foreign currency deposits 6/	3.1	3.4	4.6	4.8	4.8	4.9
Foreign currency loans 7/	11.2	11.7	13.8	13.1	12.7	12.4
Domestic currency deposits 6/	39.4	37.0	38.2	28.1	19.6	15.1
Domestic currency loans 7/	97.3	95.1	99.1	91.5	71.5	57.9
Memorandum item						
Consumer price inflation 8/	52.9	44.1	35.4	24.3	15.2	8.6

Source: Central Bank of Uruguay.

1/ M-1 is defined as currency plus demand deposits; M-2 is defined as M-1 plus time and savings deposits in local currency; M-3\* is M-2 plus foreign currency deposits of residents; M-3 is M-3\* plus foreign currency deposits of non-residents; M-4\* is M-3\* plus liabilities of the mortgage bank to the private sector; M-4 is M-3 plus liabilities of the mortgage bank to the private sector.

2/ Foreign currency deposits are valued at end-of-period exchange rates.

3/ Flows of credit in foreign currency are valued at the end-of-period exchange rates.

4/ End of period monetary base including deposits of the rest of the banking system in the Central Bank.

5/ Average monetary aggregates to GDP.

6/ Interest rates on deposits of 30 to 180 day maturity.

7/ Nonprime rate.

8/ End of period.

Table 30. Uruguay: Summary Accounts of the Financial System 1/

(Annual percentage change)

	December					
	1993	1994	1995	1996	1997	1998
I. Central Bank 2/						
Net international reserves	75.2	52.9	30.3	21.6	51.2	50.8
Net domestic assets	-14.0	-13.0	1.2	6.7	-31.8	-41.0
Credit to public sector (net)	-9.1	-12.2	6.4	-15.3	-16.8	-37.9
Net claims on the rest banking system	-50.6	-18.8	-2.2	-40.4	-33.8	-7.2
Credit to Mortgage Bank (net)	1.4	6.9	1.1	9.1	5.4	7.2
Medium-and long term foreign liabilities	18.2	7.5	5.8	3.1	1.7	8.4
Other	26.1	3.5	-9.9	50.2	11.8	-11.6
Monetary base 3/	61.2	39.8	31.5	28.4	19.4	9.7
II. Banking System 4/						
Net international reserves	1.8	13.8	-1.6	4.8	4.0	2.9
Net domestic assets	34.2	23.5	33.3	34.3	24.5	17.4
Credit to public sector	3.1	0.9	-2.5	-2.5	-1.5	-4.8
Credit to private sector	19.9	12.2	16.0	13.0	15.4	14.4
Local currency	5.3	4.6	3.7	3.8	3.7	2.7
Foreign currency	14.6	7.6	12.3	9.2	11.7	11.7
Of which : Central Bank	0.2	-0.2	-0.1	-0.1	0.0	0.0
Of which : Rest of banking system	8.7	7.8	12.4	9.3	11.7	11.7
Medium- and long-term for liabilities	-1.1	0.7	0.6	0.3	0.2	0.6
Other	12.2	9.7	19.2	23.5	10.4	7.3
M-3 5/	36.0	37.3	31.6	39.1	28.5	20.3
III. Financial System 6/						
Net international reserves	-2.9	12.4	-1.4	4.3	3.6	2.6
Net domestic assets	39.5	25.3	35.0	33.5	23.6	17.2
Credit to public sector	3.3	2.6	-0.9	-1.3	-0.6	-3.9
Credit to private sector	19.4	19.8	29.6	17.8	17.0	15.3
Local currency	11.3	12.9	18.5	9.6	6.4	4.6
Foreign currency	8.1	6.9	11.0	8.2	10.6	10.6
Medium- and long-term for. liabilities	1.2	0.6	0.5	0.3	0.2	0.6
Other	15.6	2.3	5.8	16.7	7.0	5.3
M-4	36.7	37.7	33.5	37.7	27.2	19.8

Sources: Central bank of Uruguay; and Fund staff estimates.

1/ Accounts denominated in foreign currency valued at end of period exchange rates.

2/ Changes with respect to the monetary base outstanding at the beginning of the period.

3/ Excludes the Bank of the Republic's vault cash and its deposits at the Central Bank.

4/ Changes with respect to the stock of M-3 at the beginning of the period.

5/ M-3 includes foreign currency deposits of nonresidents.

6/ Changes with respect to the stock of liabilities to the private sector (M-4) at the beginning of the period.



Table 31. Uruguay: Financial System Credit to the Private Sector 1/

	December					
	1993	1994	1995	1996	1997	1998
<b>I. Local Currency Credit</b>						
(In millions of Uruguayan pesos)						
Total	7,773.5	11,956.4	20,230.3	25,928.0	31,186.0	36,004.5
BCU 1/	37.5	42.6	76.8	89.3	98.4	103.9
BROU 2/	1,881.6	2,520.4	3,175.9	3,773.4	4,490.6	6,267.4
Private banks 3/	1,723.3	2,406.1	3,192.1	4,589.8	6,553.7	7,300.1
BHU 4/	4,131.1	6,987.3	13,785.5	17,475.4	20,043.3	22,333.1
(12-month percentage change)						
Total	52.6	53.8	69.2	28.2	20.3	15.5
BCU 1/	135.2	13.5	80.3	16.3	10.1	5.6
BROU 2/	42.2	33.9	26.0	18.8	19.0	39.6
Private banks 3/	47.5	39.6	32.7	43.8	42.8	11.4
BHU 4/	59.7	69.1	97.3	26.8	14.7	11.4
<b>II. Foreign Currency Credit</b>						
(In millions of Uruguayan pesos)						
Total	13,360.7	19,175.8	29,272.5	40,745.8	55,655.8	71,053.9
BCU 1/	107.4	87.6	73.7	25.6	28.0	43.9
BROU 2/	4,954.2	7,314.9	10,872.1	15,399.6	19,229.0	24,097.9
Private banks 3/	8,264.9	11,717.1	18,239.0	25,144.0	36,030.8	46,382.4
BHU 4/	34.2	56.2	87.7	176.7	368.0	529.7
(12-month percentage change)						
Total	48.2	43.5	52.7	39.2	36.6	27.7
BCU 1/	134.8	-18.4	-15.9	-65.3	9.4	56.9
BROU 2/	47.2	47.7	48.6	41.6	24.9	25.3
Private banks 3/	47.8	41.8	55.7	37.9	43.3	28.7
BHU 4/	352.6	64.3	56.2	101.5	108.3	43.9
<b>III. Total Credit</b>						
(In millions of Uruguayan pesos)						
Total 5/	21,134.3	31,132.2	49,502.8	66,673.8	86,841.8	107,058.4
BCU 1/	145.0	130.2	150.5	114.9	126.4	147.8
BROU 2/	6,835.8	9,835.3	14,047.9	19,173.0	23,719.6	30,365.3
Private banks 3/	9,988.2	14,123.2	21,431.1	29,733.8	42,584.5	53,682.5
BHU 4/	4,165.3	7,043.5	13,873.2	17,652.1	20,411.3	22,862.8
(12-month percentage change)						
Total 5/	49.8	47.3	59.0	34.7	30.2	23.3
BCU 1/	134.9	-10.2	15.6	-23.7	10.0	17.0
BROU 2/	45.8	43.9	42.8	36.5	23.7	28.0
Private banks 3/	47.7	41.4	51.7	38.7	43.2	26.1
BHU 4/	60.6	69.1	97.0	27.2	15.6	12.0
Memorandum items						
Consumer price index (1994 = 100)	69.4	100.0	135.4	168.3	193.9	210.6
Consumer price inflation (%)	52.9	44.1	35.4	24.3	15.2	8.6
End of year exchange rate	4,416	5,601	7,111	8,713	10,040	10,817

Sources: Central Bank of Uruguay; and Fund Staff estimates.

1/ Central Bank of Uruguay

2/ Banco de la República

3/ Includes the intervened banks.

4/ Banco Hipotecario (Mortgage Bank).

5/ Foreign exchange stocks valued at end of period exchange rate.

Table 32. Uruguay: Financial System Credit to the Private Sector in Real Terms 1/

	December					
	1993	1994	1995	1996	1997	1998
(Index 1994 = 100)						
Local currency	93.7	100.0	125.0	128.8	134.5	143.0
BCU 2/	126.9	100.0	133.2	124.7	119.2	115.9
BROU 3/	107.6	100.0	93.1	89.0	91.9	118.1
Private banks 4/	103.2	100.0	98.0	113.3	140.5	144.1
BHU 5/	85.2	100.0	145.7	148.6	147.9	151.8
Foreign currency 6/	100.4	100.0	112.7	126.3	149.7	176.0
BCU 2/	176.7	100.0	62.1	17.3	16.5	23.8
BROU 3/	97.6	100.0	109.8	125.1	135.6	156.5
Private banks 4/	101.6	100.0	115.0	127.5	158.6	188.0
BHU 5/	87.7	100.0	115.4	187.0	338.0	448.0
TOTAL (Local plus foreign currency)	97.8	100.0	117.4	127.2	143.9	163.3
(12-month percentage change)						
Local currency	-0.2	6.7	25.0	3.1	4.4	6.3
BCU 2/	53.8	-21.2	33.2	-6.4	-4.4	-2.7
BROU 3/	-7.0	-7.0	-6.9	-4.4	3.3	28.5
Private banks 4/	-3.5	-3.1	-2.0	15.7	23.9	2.6
BHU 5/	4.5	17.4	45.7	2.0	-0.4	2.6
Foreign currency 6/	-3.0	-0.4	12.7	12.0	18.6	17.6
BCU 2/	53.5	-43.4	-37.9	-72.1	-5.0	44.5
BROU 3/	-3.7	2.5	9.8	14.0	8.4	15.4
Private banks 4/	-3.4	-1.6	15.0	10.9	24.4	18.5
BHU 5/	196.0	14.0	15.4	62.1	80.8	32.5
TOTAL (Local plus foreign currency)	-2.0	2.2	17.4	8.4	13.1	13.5
(Percent of total credit)						
Local currency	36.8	38.4	40.9	38.9	35.9	33.6
BCU 2/	0.2	0.1	0.2	0.1	0.1	0.1
BROU 3/	8.9	8.1	6.4	5.7	5.2	5.9
Private banks 4/	8.2	7.7	6.4	6.9	7.5	6.8
BHU 5/	19.5	22.4	27.8	26.2	23.1	20.9
Foreign currency 6/	63.2	61.6	59.1	61.1	64.1	66.4
BCU 2/	0.5	0.3	0.1	0.0	0.0	0.0
BROU 3/	23.4	23.5	22.0	23.1	22.1	22.5
Private banks 4/	39.1	37.6	36.8	37.7	41.5	43.3
BHU 5/	0.2	0.2	0.2	0.3	0.4	0.5
TOTAL (Local plus foreign currency)	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Deflated by the consumer price index.

2/ Central Bank of Uruguay.

3/ Banco de la República.

4/ Includes the intervened banks.

5/ Banco Hipotecario (Mortgage Bank).

6/ Foreign exchange stocks valued at end of period exchange rate.

Table 33. Uruguay: Composition of Private Sector Financial Assets 1/

	December					
	1993	1994	1995	1996	1997	1998
(In millions of Uruguayan pesos)						
Total financial assets	39,451	54,281	73,688	101,243	128,811	156,539
Banking system	29,054	39,899	52,526	73,084	93,913	112,981
Money	3,762	5,017	6,609	8,590	10,136	11,469
Currency	2,313	3,314	4,327	5,265	6,498	7,208
Demand deposits	1,449	1,703	2,282	3,325	3,638	4,261
Quasi-money	25,292	34,882	45,917	64,494	83,777	101,513
Local currency deposits	2,036	2,335	3,355	4,495	6,442	7,903
Foreign currency deposits	23,072	32,183	41,945	58,714	75,782	91,606
held by residents	13,843	20,281	25,587	35,816	47,824	57,810
held by nonresidents	9,229	11,902	16,359	22,899	27,958	33,795
Other	184	364	618	1,285	1,553	2,004
Treasury bills and bonds	6,680	9,348	13,219	18,846	24,103	31,183
Letras de regulación monetaria	375	198	686	0	0	0
Other financial system	3,342	4,836	7,256	9,313	10,795	12,375
Deposits in BHU	3,320	4,685	7,012	8,914	10,359	11,900
Mortgage bonds	22	151	244	399	436	475
(In percent of total)						
Total financial assets	100.0	100.0	100.0	100.0	100.0	100.0
Banking system	73.6	73.5	71.3	72.2	72.9	72.2
Money	9.5	9.2	9.0	8.5	7.9	7.3
Currency	5.9	6.1	5.9	5.2	5.0	4.6
Demand deposits	3.7	3.1	3.1	3.3	2.8	2.7
Quasi-money	64.1	64.3	62.3	63.7	65.0	64.8
Local currency deposits	5.2	4.3	4.6	4.4	5.0	5.0
Foreign currency deposits	58.5	59.3	56.9	58.0	58.8	58.5
held by residents	35.1	37.4	34.7	35.4	37.1	36.9
held by nonresidents	23.4	21.9	22.2	22.6	21.7	21.6
Other	0.5	0.7	0.8	1.3	1.2	1.3
Treasury bills and bonds	16.9	17.2	17.9	18.6	18.7	19.9
Letras de regulación monetaria	1.0	0.4	0.9	0.0	0.0	0.0
Other financial system	8.5	8.9	9.8	9.2	8.4	7.9
Deposits in BHU	8.4	8.6	9.5	8.8	8.0	7.6
Mortgage bonds	0.1	0.3	0.3	0.4	0.3	0.3

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Foreign currency assets valued at end-of-period exchange rate.

Table 34. Uruguay: Accounts of the Financial System 1/  
(In millions of Uruguayan pesos)

	December 2/					
	1993	1994	1995	1996	1997	1998
Net international reserves	9,327	15,847	19,474	26,403	33,374	38,690
Foreign assets	13,550	20,247	26,346	36,856	47,961	59,803
Foreign liabilities	-4,223	-4,400	-6,872	-10,453	-14,588	-21,113
Net domestic assets	29,332	36,901	49,971	66,524	83,161	98,435
Public sector (net)	3,951	5,673	6,309	5,975	5,484	1,402
Central government (net)	1,448	2,205	2,810	2,465	1,264	-1,874
<i>Of which</i> : treasury bills (L/C)	0	0	0	0	0	0
Rest of public sector (net)	2,503	3,468	3,499	3,510	4,220	3,276
Credits to banks in liquidation	-43	-109	-155	-201	-234	-277
Credit to private sector	21,134	31,132	49,503	66,674	86,842	107,058
Local currency	7,774	11,956	20,230	25,928	31,186	36,005
Foreign currency	13,361	19,176	29,272	40,746	55,656	71,054
Nonmonetary international organizations	228	317	449	647	856	1,016
Valuation adjustment	-945	-3,302	-2,441	-5,301	-8,808	-9,000
Other accounts	6,003	3,965	-1,792	60	1,606	955
Interbank float	-997	-776	-560	-1,321	-2,010	-2,239
Central Bank Bills (LRMs)	0	0	-1,342	-9	-575	-480
Medium and long-term foreign liabilities	4,587	5,612	6,888	8,277	9,379	9,523
Allocation of SDRs	304	409	528	625	678	761
Liabilities to private sector	33,767	46,727	62,029	84,026	106,478	126,842
Money	4,340	5,818	7,742	10,223	12,001	13,474
Currency in circulation	2,304	3,313	4,326	5,265	6,499	7,170
Demand deposits	2,036	2,504	3,415	4,959	5,503	6,305
Quasi-money	29,427	40,909	54,287	73,803	94,477	113,367
Time and savings deposits in local currency	3,032	3,755	5,736	7,017	8,530	9,958
Foreign currency deposits	24,739	34,647	45,770	63,404	81,377	98,851
Residents	13,606	19,056	25,174	34,872	44,757	54,368
Nonresidents	11,132	15,591	20,597	28,532	36,620	44,483
Mortgage bonds	22	151	244	399	436	475
Other liabilities in local currency	171	190	344	435	531	163
Other liabilities in foreign currency	1,463	2,166	2,192	2,547	3,603	3,920
Memorandum item						
Exchange rate	4,416	5,601	7,111	8,713	10,040	10,817

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Includes the the Central Bank of Uruguay, the Banco de la República Oriental del Uruguay, the private commercial banks, and the Mortgage Bank. Liabilities to the private sector in this table may differ from the monetary aggregates in Tables 30-31 owing to revisions of data not incorporated in the published balances of financial institutions. Includes other liabilities in local and foreign currencies.

2/ Foreign exchange accounts valued at the exchange rate of the end of the year.

Table 35. Uruguay: Accounts of the Banking System 1/

(In millions of Uruguayan pesos)

	December					
	1993	1994	1995	1996	1997	1998
Net international reserves	9,315	15,827	19,440	26,366	33,329	38,622
Foreign assets	13,538	20,227	26,312	36,819	47,917	59,736
Foreign liabilities	-4,223	-4,400	-6,872	-10,453	-14,588	-21,113
Net domestic assets	26,138	32,244	43,109	57,505	72,870	86,256
Public sector (net)	3,096	4,300	4,445	3,623	2,616	-1,850
Central government (net)	1,575	2,306	2,813	2,420	1,327	-1,776
<i>Of which</i> : Treasury bills (L/C)	0	0	0	0	0	0
Rest of public sector (net)	1,522	1,995	1,632	1,203	1,289	-75
Credit to Mortgage Bank	2,376	3,268	4,407	5,603	7,009	7,936
Credits to banks in liquidation	-43	-109	-155	-201	-234	-277
Credit to private sector	16,969	24,089	35,630	49,022	66,430	84,196
Local currency	3,642	4,969	6,445	8,453	11,143	13,671
Foreign currency	13,327	19,120	29,185	40,569	55,288	70,524
Nonmonetary international organizations	228	317	449	647	856	1,016
Valuation adjustment	-945	-3,302	-2,441	-5,301	-8,808	-9,000
Other accounts	5,473	4,403	2,734	5,427	7,608	7,321
Interbank float	-1,017	-721	-618	-1,305	-2,033	-2,605
Bills for Monetary Regulation (LRMs)	0	0	-1,342	-9	-575	-480
Medium and long-term foreign liabilities	4,587	5,612	6,888	8,277	9,379	9,523
Liabilities to Mortgage Bank	136	160	360	257	460	128
Allocation of SDRs	304	409	528	625	678	761
Liabilities to private sector	30,426	41,891	54,772	74,713	95,683	114,467
Money	3,818	5,033	6,680	8,590	10,126	11,433
Currency in circulation	2,304	3,313	4,326	5,265	6,499	7,170
Demand deposits	1,515	1,720	2,354	3,325	3,627	4,263
Quasi-money	26,607	36,858	48,092	66,123	85,557	103,034
Time and savings deposits in						
Time and savings deposits in local currency	1,804	2,244	3,376	4,427	5,753	7,272
Foreign currency deposits	23,169	32,258	42,179	58,714	75,669	91,679
Residents	12,743	17,742	23,199	32,293	41,618	50,424
Nonresidents	10,426	14,516	18,981	26,421	34,051	41,256
Other liabilities in local currency	171	190	344	435	531	163
Other liabilities in foreign currency	1,463	2,166	2,192	2,547	3,603	3,920
Memorandum item						
Exchange rate	4,416	5,601	7,111	8,713	10,040	10,817

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Includes the Central Bank of Uruguay, the Banco de la República Oriental de Uruguay and the private commercial banks.

2/ Foreign exchange accounts valued at the exchange rate of the end of the year.

Table 36. Uruguay: Accounts of the Central Bank 1/

(In millions of Uruguayan pesos)

	December 2/					
	1993	1994	1995	1996	1997	1998
Net international reserves	3,343	5,680	8,363	11,331	16,350	21,516
Foreign assets	3,715	6,151	8,762	12,442	16,375	23,270
Foreign liabilities	-372	-471	-399	-1,110	-25	-1,754
Net domestic assets	9,695	11,205	14,722	16,970	18,398	16,536
Public sector (net)	2,480	2,636	3,091	1,979	258	-3,106
Central government (net)	419	-1	498	-170	-1,806	-3,919
<i>Of which</i> : Treasury bills (L/C)	0	0	0	0	0	0
Rest of public sector (net)	2,061	2,638	2,593	2,149	2,063	813
Credit to banking system	371	435	1,092	1,234	1,205	2,545
Banco de la Republica	789	683	882	925	893	1,226
Other commercial banks	-418	-248	209	310	313	1,320
Credit to Mortgage Bank	2,354	3,206	4,294	5,535	6,888	7,651
Credits to banks in liquidation	-43	-109	-155	-201	-234	-277
Credit to private sector	145	130	150	115	126	148
Local currency	38	43	77	89	98	104
Foreign currency	107	88	74	26	28	44
Nonmonetary international organizations	228	317	449	647	856	1,016
Valuation adjustment	641	238	0	0	-1	-3
Other accounts	3,520	4,351	5,801	7,661	9,300	8,562
Bills for Monetary Regulation (LRMs)	0	0	1,342	533	803	784
Medium and long-term foreign liabilities	4,413	5,393	6,626	7,962	9,065	9,122
Liabilities to Mortgage Bank	61	110	322	199	385	87
Allocation of SDRs	304	409	528	625	678	761
Liabilities to the banking system	5,957	7,660	9,941	13,718	17,318	20,129
Banco de la Republica	3,531	4,268	5,275	7,431	8,996	10,069
Other commercial banks	2,425	3,392	4,666	6,286	8,322	10,059
Currency in circulation	2,304	3,313	4,326	5,265	6,499	7,170
Memorandum item						
Exchange rate	4,416	5,601	7,111	8,713	10,040	10,817

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Includes the effect of the external debt reduction operation of February 1991.

2/ Foreign exchange accounts valued at the exchange rate of the end of the year.

Table 37. Uruguay: Accounts of the Banco de la República Oriental del Uruguay 1/

(In millions of Uruguayan pesos)

	December 2/					
	1993	1994	1995	1996	1997	1998
Net international reserves	2,518	2,474	3,512	4,433	5,775	6,183
Foreign assets	2,518	2,474	3,512	4,433	5,775	6,183
Foreign liabilities	0	0	0	0	0	0
Claims on Central Bank	3,568	4,294	5,309	7,405	9,104	10,026
Net domestic assets	3,917	6,330	9,174	12,924	16,159	20,397
Public sector (net)	-1,365	-1,397	-1,523	-2,570	-2,916	-4,480
Central government (net)	-859	-810	-609	-1,680	-2,182	-3,387
<i>Of which</i> : treasury bills (L/C)	0	0	0	0	0	0
Rest of public sector (net)	-506	-587	-914	-890	-733	-1,093
Credit to private commercial banks	18	17	11	26	51	52
Credit to Mortgage Bank	0	52	0	0	0	1
Credit Banks in Liquidation (net)	0	0	0	0	0	0
Credit to private sector	6,836	9,835	14,048	19,173	23,720	30,365
Local currency	1,882	2,520	3,176	3,773	4,491	6,267
Foreign currency	4,954	7,315	10,872	15,400	19,229	24,098
Valuation adjustment	-53	113	43	28	74	-160
Other accounts	-1,520	-2,290	-3,405	-4,257	-4,999	-5,685
Bills for monetary regulation (LRMs)	0	0	0	525	229	304
Medium and long-term foreign liabilities	174	220	262	315	314	401
Liabilities to Central Bank	696	480	539	727	894	849
Liabilities to private commercial banks	14	18	32	29	145	42
Liabilities to Mortgage Bank	75	50	38	58	74	41
Liabilities to private sector	9,044	12,331	17,124	23,632	29,610	35,272
Demand deposits	396	326	461	637	677	815
Time and savings deposits in local currency	825	1,050	1,586	2,193	2,652	2,980
Foreign currency deposits	7,641	10,725	14,676	20,365	25,706	31,271
Residents	4,202	5,899	8,072	11,201	14,138	17,199
Nonresidents	3,438	4,826	6,604	9,164	11,568	14,072
Other liabilities in local currency	134	146	304	379	413	63
Other liabilities in foreign currency	48	83	97	59	161	143
Memorandum item						
Exchange rate	4,416	5,601	7,111	8,713	10,040	10,817

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Includes the intervened banks.

2/ Foreign exchange accounts valued at the exchange rate of the end of the year.

Table 38. Uruguay: Accounts of the Private Commercial Banks 1/

(In millions of Uruguayan pesos)

	December 2/					
	1993	1994	1995	1996	1997	1998
Net international reserves	3,454	7,673	7,564	10,601	11,204	10,924
Foreign assets	7,305	11,602	14,038	19,944	25,767	30,283
Foreign liabilities	-3,851	-3,928	-6,474	-9,343	-14,563	-19,359
Claims on Central Bank	1,729	2,636	3,449	4,467	5,889	5,790
Net domestic assets	13,948	15,912	22,297	30,737	42,452	55,353
Public sector (net)	1,981	3,061	2,877	4,214	5,274	5,736
Central government (net)	2,014	3,117	2,923	4,270	5,315	5,531
<i>Of which</i> : Treasury bills (L/C)	167	21	0	8	0	0
Rest of public sector (net)	-33	-56	-46	-55	-41	205
Credit to BROU	16	29	22	26	46	43
Credit to Mortgage Bank	22	11	113	67	121	284
Credit to private sector	9,988	14,123	21,431	29,734	42,585	53,683
Local currency	1,723	2,406	3,192	4,590	6,554	7,300
Foreign currency	8,265	11,717	18,239	25,144	36,031	46,382
Valuation adjustment	-1,532	-3,653	-2,484	-5,328	-8,881	-8,836
Other accounts	3,474	2,342	338	2,023	3,307	4,444
Bills for Monetary Regulation (LRMs)	0	0	0	0	0	0
Medium and long-term foreign liabilities	0	0	0	0	0	0
Liabilities to Central Bank	0	0	0	0	0	0
Liabilities to BROU	53	-25	-12	-11	-29	41
Liabilities to Mortgage Bank	0	0	0	0	0	0
Liabilities to private sector	19,078	26,246	33,322	45,816	59,574	72,025
Demand deposits	1,119	1,393	1,893	2,688	2,950	3,448
Time and savings deposits in local currency	978	1,193	1,790	2,234	3,101	4,292
Foreign currency deposits	15,528	21,532	27,503	38,349	49,964	60,408
Residents	8,541	11,843	15,127	21,092	27,480	33,225
Nonresidents	6,988	9,690	12,376	17,257	22,484	27,184
Other liabilities in local currency	37	44	40	57	117	100
Other liabilities in foreign currency	1,415	2,083	2,096	2,488	3,442	3,777
Memorandum item						
Exchange rate	4,416	5,601	7,111	8,713	10,040	10,817

Sources: Central Bank of Uruguay.

1/ Includes the intervened banks.

2/ Foreign exchange accounts valued at the exchange rate of the end of the year.



Table 39. Uruguay: Accounts of the Mortgage Bank 1/

(In millions of Uruguayan pesos)

	December					
	1993	1994	1995	1996	1997	1998
Net international reserves	12	20	34	37	44	68
Foreign assets	12	20	34	37	44	68
Foreign liabilities	0	0	0	0	0	0
Claims on banking system	138	78	356	272	547	221
Central Bank	70	126	355	239	438	150
<i>Of which</i> : currency	9	17	33	40	53	58
Banco de la Republica	68	40	25	33	70	33
Banca Privada	0	-87	-24	0	39	38
Net domestic assets	5,550	7,979	11,211	14,637	17,278	19,750
Public sector (net)	855	1,373	1,864	2,352	2,868	3,253
Central government (net)	-127	-101	-3	45	-63	-98
<i>Of which</i> : Treasury bills (L/C)	7	0	0	0	0	0
Rest of public sector (net)	981	1,474	1,867	2,306	2,931	3,351
Credit to private sector	4,165	7,044	13,873	17,652	20,411	22,863
Local currency	4,131	6,987	13,786	17,475	20,043	22,333
Foreign currency	34	56	88	177	368	530
Other accounts	530	-437	-4,525	-5,366	-6,002	-6,366
Liabilities to banking system	2,358	3,241	4,345	5,634	7,074	7,663
Central Bank	2,356	3,239	4,342	5,634	7,074	7,661
Banco de la Republica	2	2	3	0	0	2
Other commercial banks	0	0	0	0	0	0
Liabilities to private sector	3,342	4,836	7,256	9,313	10,795	12,375
Demand deposits	522	785	1,061	1,634	1,875	2,042
Time and savings deposits in						
local currency	1,229	1,511	2,360	2,590	2,776	2,687
Time and savings deposits in						
foreign currency	1,570	2,390	3,591	4,690	5,708	7,171
Mortgage bonds	22	151	244	399	436	475
Memorandum item						
Exchange rate	4,416	5,601	7,111	8,713	10,040	10,817

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Foreign exchange accounts valued at the exchange rate of the end of the year.

Table 40. Uruguay: Nominal Short-Term Interest Rates

(Percent per year)

Period Averages	Deposits			Loans				Open-market Instruments 1/
	<u>In Local Currency</u>	<u>In Foreign Currency</u>		<u>In Local Currency</u>		<u>In Foreign Currency</u>		
	31-180 Days	Time Deposits	Sight Deposits	Prime Rate	Other	Prime Rate	Other	
1993	39.4	3.1	1.8	60.9	97.3	6.6	11.2	48.2
1994	37.0	3.4	1.6	59.7	98.6	7.5	11.7	44.7
1995	38.2	4.6	1.7	61.7	99.1	9.0	13.8	36.6
1996	28.3	4.9	1.8	48.2	91.5	8.5	13.2	29.2
1997	19.6	4.8	1.7	39.2	71.5	8.5	12.7	23.2
1998	15.1	4.9	1.7	30.6	57.9	8.5	12.4	17.0
1993								
1st quarter	39.3	2.9	1.8	56.7	98.6	6.5	10.8	44.5
2nd quarter	38.1	3.2	1.8	57.5	93.8	6.4	11.3	46.3
3rd quarter	40.7	3.2	1.8	65.6	96.0	6.8	11.4	56.0
4th quarter	39.4	3.1	1.7	60.0	100.9	6.7	11.1	46.5
1994								
1st quarter	37.5	3.1	1.7	55.8	97.4	6.9	11.2	40.6
2nd quarter	35.0	3.3	1.6	57.3	93.6	7.3	11.2	39.6
3rd quarter	36.5	3.6	1.5	59.3	93.6	7.7	11.8	46.0
4th quarter	38.9	3.8	1.5	66.5	96.7	8.3	12.5	52.9
1995								
1st quarter	41.8	4.2	1.5	67.1	97.0	9.3	13.6	39.1
2nd quarter	37.6	4.6	1.6	66.5	101.2	9.9	14.3	35.9
3rd quarter	37.1	4.4	1.7	55.4	92.4	9.1	14.2	35.8
4th quarter	35.8	4.7	1.7	55.4	91.2	9.2	14.0	35.5
1996								
1st quarter	32.4	4.9	1.8	51.1	98.6	8.4	13.8	33.9
2nd quarter	28.6	4.9	1.8	49.5	94.0	8.4	13.1	29.6
3rd quarter	26.6	4.8	1.7	47.0	88.5	8.6	12.9	27.2
4th quarter	25.5	4.8	1.7	45.2	85.0	8.6	12.8	26.1
1997								
1st quarter	21.8	4.7	1.7	45.1	79.4	8.7	12.6	25.6
2nd quarter	20.4	5.0	1.7	40.3	73.9	8.4	12.8	24.8
3rd quarter	19.0	4.9	1.7	36.4	68.8	8.6	12.6	22.7
4th quarter	17.3	4.8	1.7	35.3	64.1	8.3	12.6	19.6
1998								
1st quarter	16.6	4.8	1.8	34.1	61.2	8.2	13.1	17.2
2nd quarter	14.9	5.0	1.7	32.8	61.2	8.7	12.6	...
3rd quarter	14.4	5.0	1.7	26.7	55.4	8.4	11.7	16.9
4th quarter	14.5	4.9	1.7	28.8	53.9	8.7	12.3	...

Sources: Central Bank of Uruguay, and Fund staff estimates.

1/ Until the third quarter of 1993, interest rates on central bank bills (Letras de Regulación Monetaria); thereafter, interest rate on peso-denominated treasury bills of maturity of up to 63 days used in open-market operations.

Table 41. Uruguay: Private Banks' Required Reserve Ratios on Selected Dates 1/

(In percent of deposits)

	Required Reserves			Obligatory holdings of			Total Reserve Requirements
	In local currency		In foreign currency	Treasury bills	Central Bank Bills	Adjustable Mortg. Obligations	
	(nonremunerated)	(remunerated)					
(Situation as of December 31, 1993)							
Local currency deposits 2/							
Sight deposits and time deposits							
of less than 30 days	10.0	10.0	--	--	--	1.0	21.0
Time deposits of more than 30 days							
but less than 180 days	4.0	10.0	--	--	--	1.0	15.0
Time deposits of more than 180 days	2.0	10.0	--	--	--	1.0	13.0
Foreign currency deposits 3/							
Sight deposits and time deposits							
of less than 30 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 30 days							
but less than 180 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 180 days	--	--	4.0	11.5	--	--	15.5
Credits from correspondents							
subject to confirmation	--	--	10.0	11.5	--	--	21.5
(Situation as of December 31, 1994)							
Local currency deposits 2/							
Sight deposits and time deposits							
of less than 30 days	10.0	10.0	--	--	--	1.0	21.0
Time deposits of more than 30 days							
but less than 180 days	4.0	10.0	--	--	--	1.0	15.0
Time deposits of more than 180 days	2.0	10.0	--	--	--	1.0	13.0
Foreign currency deposits 3/							
Sight deposits and time deposits							
of less than 30 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 30 days							
but less than 180 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 180 days	--	--	4.0	11.5	--	--	15.5
Credits from correspondents							
subject to confirmation	--	--	10.0	11.5	--	--	21.5

Table 41. Uruguay: Private Banks' Required Reserve Ratios on Selected Dates 1/

(In percent of deposits)

	Required Reserves			Obligatory holdings of			Total Reserve Requirements
	In local currency		In foreign currency	Treasury bills	Central Bank Bills	Adjustable Mortg. Obligations	
	(nonremunerated)	(remunerated)					
(Situation as of December 31, 1995)							
Local currency deposits 2/							
Sight deposits and time deposits							
of less than 30 days	10.0	10.0	--	--	--	--	20.0
Time deposits of more than 30 days							
but less than 180 days	4.0	10.0	--	--	--	--	14.0
Time deposits of more than 180 days	2.0	10.0	--	--	--	--	12.0
Foreign currency deposits 3/							
Sight deposits and time deposits							
of less than 30 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 30 days							
but less than 180 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 180 days	--	--	4.0	11.5	--	--	15.5
Credits from correspondents							
subject to confirmation	--	--	10.0	11.5	--	--	21.5
(Situation as of December 31, 1996)							
Local currency deposits 2/							
Sight deposits and time deposits							
of less than 30 days	10.0	10.0	--	--	--	--	20.0
Time deposits of more than 30 days							
but less than 180 days	4.0	10.0	--	--	--	--	14.0
Time deposits of more than 180 days	2.0	10.0	--	--	--	--	12.0
Foreign currency deposits 3/							
Sight deposits and time deposits							
of less than 30 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 30 days							
but less than 180 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 180 days	--	--	4.0	11.5	--	--	15.5
Credits from correspondents							
subject to confirmation	--	--	10.0	11.5	--	--	21.5

Table 41. Uruguay: Private Banks' Required Reserve Ratios on Selected Dates 1/

(In percent of deposits)

	Required Reserves			Obligatory holdings of			Total Reserve Requirements
	In local currency		In foreign currency	Treasury bills	Central Bank Bills	Adjustable Mortg. Obligations	
	(nonremunerated)	(remunerated)					
(Situation as of December 31, 1997)							
Local currency deposits 2/							
Sight deposits and time deposits							
of less than 30 days	10.0	10.0	--	--	--	--	20.0
Time deposits of more than 30 days							
but less than 180 days	4.0	10.0	--	--	--	--	14.0
Time deposits of more than 180 days	2.0	10.0	--	--	--	--	12.0
Foreign currency deposits 3/							
Sight deposits and time deposits							
of less than 30 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 30 days							
but less than 180 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 180 days	--	--	4.0	11.5	--	--	15.5
Credits from correspondents subject to confirmation	--	--	10.0	11.5	--	--	21.5
(Situation as of December 31, 1998)							
Local currency deposits 2/							
Sight deposits and time deposits							
of less than 30 days	10.0	10.0	--	--	--	--	20.0
Time deposits of more than 30 days							
but less than 180 days	4.0	10.0	--	--	--	--	14.0
Time deposits of more than 180 days	2.0	10.0	--	--	--	--	12.0
Foreign currency deposits 3/							
Sight deposits and time deposits							
of less than 30 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 30 days							
but less than 180 days	--	--	10.0	11.5	--	--	21.5
Time deposits of more than 180 days	--	--	4.0	11.5	--	--	15.5
Credits from correspondents subject to confirmation	--	--	10.0	11.5	--	--	21.5

Source: Central Bank of Uruguay.

1/ Excluding financial houses, which are subject to reserve requirements very similar to those of commercial banks.

2/ Applies to all liabilities in local currency to the private sector.

3/ Excludes foreign currency deposits of nonresidents that are used to provide credit to nonresidents (offshore operations). It also excludes public securities after December 1997

Table 42. Uruguay: Summary Balance of Payments 1/

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of U.S. dollars)						
Current account balance	-353	-439	-213	-233	-287	-400
Trade Balance	-473	-686	-563	-687	-704	-762
Exports, f.o.b.	1,645	1,913	2,148	2,449	2,793	2,832
Imports, f.o.b.	-2,118	-2,600	-2,711	-3,135	-3,498	-3,594
Nonfactor services (net)	275	450	502	560	536	480
<i>Of which:</i>						
Travel receipts	447	632	611	717	759	695
Factor services (net)	-193	-243	-227	-189	-193	-185
Transfers (net)	38	41	76	83	74	67
Financial account	435	672	404	225	539	677
Foreign direct investment	173	154	157	137	113	164
Portfolio investment	29	158	192	276	174	415
Other investment	232	360	55	-189	252	98
Commercial credit	21	75	-47	-17	44	22
Net assets	212	285	102	-172	208	76
Errors and omissions	102	5	18	153	79	85
Changes in gold valuation	31	0	-209	0	0	0
Change in international reserves (-)	-214	-238	0	-144	-330	-362
(In percent , unless otherwise indicated)						
Memorandum items						
Current account/GDP	-2.7	-2.9	-1.2	-1.3	-1.5	-1.9
Financial account/GDP	3.3	4.4	2.4	1.2	2.8	3.2
Public external debt/GDP	26.6	27.9	25.7	25.4	24.9	25.3
Gross official reserves (in months of imports of goods and services)	5.4	5.2	6.1	5.8	5.7	6.9

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ From 1995 onward, the figures in the current account and private sector capital flows incorporate new survey information which permits the identification of certain exports of services in the current account that in prior years were subsumed in private sector capital inflows. Therefore, the figures prior to 1995 and those thereafter are not strictly comparable.

Table 43. Uruguay: Balance of Payments, 1993-98

(In millions of U.S. dollars)

	1993			1994			1995		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
Current account balance	2,955.8	3,309.1	-353.3	3,579.4	4,018.1	-438.7	3,995.0	4,207.6	-212.6
Goods f.o.b.	1,645.3	2,118.3	-473.0	1,913.3	2,599.6	-686.3	2,147.5	2,710.6	-563.1
Merchandise	1,645.3	2,118.3	-473.0	1,913.3	2,599.6	-686.3	2,105.9	2,678.3	-572.4
Other goods	0.0	0.0	0.0	0.0	0.0	0.0	41.6	32.3	9.3
Services	1,015.2	740.1	275.1	1,334.9	885.4	449.5	1,359.2	857.7	501.5
Transport	354.0	374.7	-20.7	392.7	376.2	16.5	399.8	376.3	23.5
Travel	446.8	128.7	318.1	632.2	234.4	397.8	610.9	236.6	374.3
Other services	214.4	236.7	-22.3	310.0	274.8	35.2	348.5	244.8	103.7
Factor income	249.9	442.9	-193.0	282.0	525.1	-243.1	404.3	631.3	-227.0
Transfers	45.4	7.8	37.6	49.2	8.0	41.2	84.0	8.0	76.0
Financial account	843.2	408.7	434.5	1,000.3	328.4	671.9	1,316.8	913.0	403.8
Foreign direct investment	172.8	0.0	172.8	154.0	0.0	154.0	156.6	0.0	156.6
Portfolio investment	158.3	129.0	29.3	178.0	19.8	158.2	192.3	0.0	192.3
Treasury bills	158.3	0.0	158.3	178.0	0.0	178.0	183.0	0.0	183.0
Central bank bills	0.0	129.0	-129.0	0.0	19.8	-19.8	9.3	0.0	9.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	512.1	279.7	232.4	668.3	308.6	359.7	967.9	913.0	54.9
Commercial credits	27.1	6.5	20.6	75.2	0.0	75.2	0.0	47.3	-47.3
General government	0.0	6.5	-6.5	36.0	0.0	36.0	0.0	42.8	-42.8
Nonfinancial private sector	27.1	0.0	27.1	39.2	0.0	39.2	0.0	4.5	-4.5
Net assets	485.0	273.2	211.8	593.1	308.6	284.5	967.9	865.7	102.2
Monetary authorities	66.9	0.0	66.9	4.0	0.0	4.0	71.7	0.0	71.7
General government	38.8	0.0	38.8	134.0	0.0	134.0	61.4	0.0	61.4
Banks	374.2	273.2	101.0	455.1	276.9	178.2	827.0	831.4	-4.4
BROU	86.6	29.9	56.7	136.0	2.4	133.6	43.4	60.9	-17.5
BHU	32.1	0.0	32.1	0.0	6.9	-6.9	0.0	3.1	-3.1
Private banks	255.5	243.3	12.2	319.1	267.6	51.5	783.6	767.4	16.2
Other sectors	5.1	0.0	5.1	0.0	31.7	-31.7	7.8	34.3	-26.5
Errors and omissions	101.6	0.0	101.6	4.7	0.0	4.7	18.0	0.0	18.0
Adjustment in the value of gold	30.7	0.0	30.7	0.0	0.0	0.0	0.1	209.4	-209.3
Change in international reserves	87.7	301.1	-213.5	13.9	251.9	-237.9	0.0	209.4	0.1
Liabilities	0.0	26.0	-26.0	13.5	8.5	5.0	0.0	47.0	-47.0
Assets	87.7	275.1	-187.4	0.4	243.4	-243.0	0.0	162.4	-162.4

Table 43. Uruguay: Balance of Payments, 1993-98

(In millions of U.S. dollars)

	1996			1997			1998		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
Current account balance	4,398.4	4,631.8	-233.4	4,847.5	5,134.9	-287.4	4,910.4	5,310.4	-400.0
Goods f.o.b.	2,448.5	3,135.4	-686.9	2,793.1	3,497.5	-704.4	2,832.3	3,594.2	-761.9
Merchandise	2,397.2	3,109.7	-712.5	2,729.5	3,477.6	-748.1	2,768.7	3,574.3	-805.6
Other goods	51.3	25.7	25.6	63.6	19.9	43.7	63.6	19.9	43.7
Services	1,398.7	839.0	559.7	1,424.1	888.6	535.5	1,392.9	912.8	480.1
Transport	394.1	445.9	-51.8	342.8	425.9	-83.1	340.0	421.0	-81.0
Travel	716.8	192.0	524.8	759.3	264.1	495.2	694.9	265.0	429.9
Other services	287.8	201.1	86.7	322.0	198.6	123.4	358.0	226.8	131.2
Factor income	460.5	649.2	-188.7	547.3	740.0	-192.7	602.4	787.4	-185.0
Transfers	90.7	8.2	82.5	83.0	8.8	74.2	82.8	16.0	66.8
Financial account	514.6	289.9	224.7	835.5	296.7	538.8	776.7	100.2	676.5
Foreign direct investment	136.8	0.0	136.8	126.4	13.2	113.2	163.8	0.0	163.8
Portfolio investment	284.6	8.2	276.4	298.7	124.7	174.0	414.8	0.0	414.8
Treasury bills	284.6	0.0	284.6	298.7	0.0	298.7	305.2	0.0	305.2
Central bank bills	0.0	8.2	-8.2	0.0	124.7	-124.7	109.6	0.0	109.6
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	93.2	281.7	-188.5	410.4	158.8	251.6	198.1	100.2	97.9
Commercial credits	0.0	16.8	-16.8	87.6	43.7	43.9	22.3	0.0	22.3
General government	0.0	10.9	-10.9	0.0	43.7	-43.7	6.1	0.0	6.1
Nonfinancial private sector	0.0	5.9	-5.9	87.6	0.0	87.6	16.2	0.0	16.2
Net assets	93.2	264.9	-171.7	322.8	115.1	207.7	175.8	100.2	75.6
Monetary authorities	0.0	79.6	-79.6	35.6	16.9	18.7	0.0	16.6	-16.6
General government	31.2	0.0	31.2	170.1	0.0	170.1	142.4	0.0	142.4
Banks	11.9	167.5	-155.6	117.1	88.4	28.7	33.4	36.2	-2.8
BROU	8.0	0.0	8.0	0.0	86.9	-86.9	0.0	28.9	-28.9
BHU	3.9	0.0	3.9	0.0	1.5	-1.5	0.0	7.3	-7.3
Private banks	0.0	167.5	-167.5	117.1	0.0	117.1	33.4	0.0	33.4
Other sectors	50.1	17.8	32.3	0.0	9.8	-9.8	0.0	47.4	-47.4
Errors and omissions	152.5	0.0	152.5	79.0	0.0	79.0	85.4	0.0	85.4
Adjustment in the value of gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in international reserves	0.0	143.8	-143.8	0.0	330.4	-330.4	160.1	522.0	-361.9
Liabilities	0.0	25.2	-25.2	0.0	9.3	-9.3	160.1	0.0	160.1
Assets	0.0	118.6	-118.6	0.0	321.1	-321.1	0.0	522.0	-522.0

Source: Central Bank of Uruguay.



Table 44. Uruguay: Value, Volume, and Unit Value of Merchandise Trade

(Percentage change)

	1993	1994	1995	1996	1997	Prel. 1998
<b>Total exports</b>						
Volume	2.4	14.5	-0.9	17.4	16.1	2.7
Unit value	-5.6	1.5	11.0	-3.0	-1.9	-1.1
Value	-3.4	16.3	10.1	13.8	13.9	1.6
<b>Total imports</b>						
Volume	19.1	17.9	-3.4	15.5	15.4	8.9
Unit value	-4.5	1.6	6.5	0.4	-3.1	-5.9
Value	13.7	19.8	2.9	15.9	11.8	2.5
<b>Terms of trade</b>	-1.2	0.0	4.3	-3.3	1.2	5.1
<b>Detail on major export commodities</b>						
<b>Refrigerated beef</b>						
Volume	-9.4	63.3	-5.7	57.4	33.7	-4.5
Unit value	1.6	-6.3	11.3	-16.7	-3.0	11.9
Value	-7.9	53.0	5.0	31.1	29.7	6.8
<b>Wool</b>						
Volume	-3.1	-2.9	-28.5	32.3	-4.9	-35.6
Unit value	-15.8	8.6	46.9	-11.8	-1.0	-7.3
Value	-18.4	5.5	5.0	16.7	-5.8	-40.3
<b>Hides</b>						
Volume	0.9	21.7	17.5	22.9	-29.5	71.0
Unit value	-7.1	-0.7	11.5	-11.1	30.5	-37.9
Value	-6.2	20.9	31.1	9.3	-8.0	6.2
<b>Rice</b>						
Volume	54.6	-16.9	15.7	33.0	6.6	0.3
Unit value	-7.7	21.3	-6.9	5.4	3.3	8.4
Value	42.7	0.9	7.7	40.2	10.0	8.7
<b>Fish (refrigerated filets)</b>						
Volume	-13.4	13.2	10.4	-0.7	-2.4	5.8
Unit value	-15.3	-3.9	1.3	-0.8	8.1	15.2
Value	-26.6	8.8	11.9	-1.5	5.5	21.9

Source: Central Bank of Uruguay.

Table 45. Uruguay: Summary of Merchandise Exports, f.o.b. 1/

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of U.S. dollars)						
Total exports	1,645.3	1,913.3	2,105.9	2,397.2	2,729.5	2,768.7
Traditional exports	432.5	561.9	648.7	712.2	844.8	726.3
Wool	217.7	229.5	241.1	290.8	276.7	158.2
Meat	167.5	236.6	242.3	322.2	408.8	433.4
Other	47.3	95.8	165.3	99.2	159.3	134.7
Nontraditional exports	1,212.8	1,351.4	1,457.2	1,685.0	1,884.7	2,042.4
Rice	150.1	151.3	163.0	228.5	251.5	273.4
Fish and shellfish	69.6	75.7	87.0	89.6	100.3	116.9
Chemical products	63.1	76.3	86.1	92.8	112.5	120.7
Textile manufactures	170.7	162.9	180.3	185.2	203.3	191.6
Shoes and others	25.6	21.9	17.8	23.2	21.3	17.3
Leather manufactures	30.3	25.6	24.6	24.0	14.8	10.5
Other nontraditional	703.4	837.7	898.4	1,041.7	1,181.0	1,312.0
(Percentage change)						
Memorandum items						
Exports	-3.4	16.3	10.1	13.8	13.9	1.4
Traditional exports	-15.9	29.9	15.4	9.8	18.6	-14.0
Wool	-18.4	5.4	5.1	20.6	-4.8	-42.8
Meat	-2.3	41.3	2.4	33.0	26.9	6.0
Nontraditional exports	2.1	11.4	7.8	15.6	11.9	8.4

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Starting in 1993, a new merchandise classification scheme is in place which may affect comparability with data from previous years.

Table 46. Uruguay: Merchandise Exports, f.o.b.

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of U.S. dollars)						
Total exports	1,645.3	1,913.3	2,105.9	2,397.2	2,729.5	2,768.7
Live animals, meat, and fish	355.5	489.2	561.8	630.9	729.2	823.1
Beef	146.5	246.2	230.8	296.4	379.0	403.1
Mutton and lamb	18.6	19.3	17.0	30.3	32.8	33.7
Fish and shellfish	69.6	75.7	87.0	89.6	100.3	116.9
Other	120.8	148.0	227.0	214.6	217.1	269.4
Vegetable products	250.1	248.3	303.2	407.6	478.4	439.9
Rice	150.1	151.3	163.0	228.5	251.5	273.4
Malted barley	29.4	33.1	54.4	65.1	64.5	52.5
Other	70.6	63.9	85.8	114.0	162.4	114.0
Fats and oils	5.3	8.8	9.4	10.0	15.9	12.9
Food, beverages, and tobacco	57.6	58.0	74.2	90.6	113.1	149.4
Mineral products	42.7	13.9	29.3	34.0	33.7	44.2
Cement	1.3	2.7	2.8	3.8	10.4	15.2
Other 1/	41.4	11.2	26.5	30.2	23.3	29.0
Plastic, rubber, and related products	58.6	63.3	75.3	84.6	91.1	97.0
Hides, leather, and related products	175.9	211.6	250.8	276.3	278.3	249.1
Hides and skins	108.6	133.0	165.6	186.2	193.2	181.0
Leather manufactures	30.3	25.6	24.6	24.0	14.8	10.5
Other	37.0	53.0	60.6	66.1	70.3	57.6
Textile materials and products	388.5	392.5	421.3	466.5	479.7	356.5
Greasy wool	33.4	34.2	25.8	20.9	24.3	7.1
Washed wool	19.3	20.1	14.5	18.5	19.3	9.8
Combed wool	165.0	175.2	200.8	251.4	233.1	141.3
Other	170.8	163.0	180.2	175.7	203.0	198.3
Shoes and others	25.6	21.9	17.8	23.2	21.3	17.3
Stone, ceramic, and glass products	30.0	28.3	25.5	28.6	29.4	24.4
Other	255.5	377.5	337.3	344.9	459.4	554.9
(Percentage change)						
Memorandum items						
Total	-3.4	16.3	10.1	13.8	13.9	1.4
Live animals, meat, and fish	-7.1	37.6	14.8	12.3	15.6	12.9
Other food and food products	17.6	0.7	23.0	31.1	20.3	20.3
Hides, leather, and related products	-15.1	20.3	18.5	10.2	0.7	-10.5
Textile materials and products	-15.8	1.0	7.3	10.7	2.8	-25.7
Other	29.8	47.7	-10.6	2.3	33.2	20.8

Source: Central Bank of Uruguay.

1/ Includes exports of electricity to Argentina.

Table 47. Uruguay: Summary of Merchandise Imports, c.i.f.

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of U.S. dollars)						
Total imports	2,325.7	2,786.1	2,866.9	3,322.8	3,716.0	3,808.2
Consumer goods	642.9	763.3	811.8	864.9	1,038.7	1,091.0
Intermediate goods	1,283.0	1,590.1	1,567.6	1,856.7	1,991.9	1,995.0
Petroleum and derivatives	193.1	237.0	271.6	337.6	318.3	205.0
Other	1,089.9	1,353.1	1,296.0	1,519.1	1,673.6	1,790.0
Capital goods	399.8	432.7	487.5	601.2	685.4	722.2
(In percent of total)						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Consumer goods	27.6	27.4	28.3	26.0	28.0	28.6
Intermediate goods	55.2	57.1	54.7	55.9	53.6	52.4
Capital goods	17.2	15.5	17.0	18.1	18.4	19.0
(Percentage change)						
Memorandum items						
Imports	13.7	19.8	2.9	15.9	11.8	2.5
Consumer goods	41.9	18.7	6.4	6.5	20.1	5.0
Intermediate goods	2.4	23.9	-1.4	18.4	7.3	0.2
Petroleum and derivatives	-13.3	22.7	14.6	24.3	-5.7	-35.6
Other	5.8	24.1	-4.2	17.2	10.2	7.0
Capital goods	18.0	8.2	12.7	23.3	14.0	5.4
Oil imports	-13.3	22.7	14.6	24.3	-5.7	-35.6
Non-oil imports	17.0	19.5	1.8	15.0	13.8	6.0
Total imports as percent of GDP	17.2	17.1	15.9	17.4	18.6	18.3

Sources: Central Bank of Uruguay; and Fund staff estimates.

Table 48. Uruguay: Merchandise Imports, c.i.f.

(In millions of U.S. dollars)

	1993	1994	1995	1996	1997	Prel. 1998
Total imports, c.i.f.	2,325.7	2,786.1	2,866.9	3,322.8	3,716.0	3,808.2
Vegetable products	88.1	119.2	105.2	126.8	119	118.5
Fats and oils	13.7	19.9	19.6	21	22.3	24
Food, beverages and tobacco	97.8	150.4	171.1	213.1	239.2	256.5
Mineral products, including fuels	225.9	283.5	306.6	382.4	357.9	240
Petroleum	18.5	22.8	177.3	225.2	203.1	163.4
Other	207.4	260.7	129.3	157.2	154.8	76.6
Chemicals and related products	268.1	319.7	340.1	452.1	491.8	512.4
Plastics, resins, and rubber	142.5	165.5	201.1	217.1	254.2	257.9
Hides, leather, and related products	28.1	35.9	40.3	56.5	44.3	50.6
Paper, cellulose, and printed matter	60.1	74.7	97.1	111.6	128.5	144.8
Textile materials and products	125.9	167.7	194.6	192.8	215.3	207
Stone, ceramic, and glass products	37.3	44.3	49.7	48.9	59.4	65.8
Metals and metal products	132.2	146.9	153.3	192.7	194.5	226.8
Machinery and equipment	543.1	585.6	599.5	707.9	841.9	852.8
Transport equipment	407	428.8	387.8	373.2	471.6	553.4
Precision instruments	52.1	92.1	64.7	72.2	84.2	89.1
Miscellaneous goods	103.8	151.9	136.2	154.5	191.9	208.6

Source: Central Bank of Uruguay.

Table 49. Uruguay: Direction of Merchandise Trade

(In percent)

	1993	1994	1995	1996	1997	Prel. 1998
I. Exports						
Total	99.9	100.1	100.0	100.0	100.0	100.0
Western Hemisphere	62.0	62.0	60.2	61.9	63.2	69.7
ALADI	51.7	53.7	53.0	53.7	55.6	62.4
Argentina	19.2	20.0	12.7	11.3	13.0	18.5
Brazil	22.3	25.7	33.2	34.7	34.5	33.8
Others	10.2	8.0	7.1	7.7	8.1	10.1
United States	9.0	6.8	5.8	7.0	5.9	5.7
Rest of Western Hemisphere	1.3	1.5	1.4	1.2	1.7	1.6
Europe	22.2	22.3	22.7	21.4	21.1	17.9
EC	20.3	20.0	20.8	19.5	18.9	16.4
Germany	6.4	6.3	5.6	4.7	4.4	4.0
Italy	3.0	3.2	3.1	3.5	3.3	2.8
United Kingdom	3.9	3.8	4.1	3.6	4.3	3.4
Others	7.0	6.7	8.0	7.7	6.9	6.2
Rest of Europe	1.9	2.3	1.9	1.9	2.2	1.5
Asia	10.0	10.4	11.8	11.3	10.1	6.9
Japan	0.8	1.1	0.9	1.0	1.1	0.8
Rest of Asia	9.2	9.3	10.9	10.3	9.0	6.1
Middle East	4.2	4.1	3.7	3.9	4.0	3.9
Africa	0.3	0.3	0.7	0.8	0.8	1.0
Other countries	1.2	1.0	0.9	0.7	0.8	0.6
II. Imports						
Total	100.2	100.0	100.0	100.1	100.1	100.0
Western Hemisphere	65.4	64.3	62.9	63.8	62.9	61.7
ALADI	52.9	52.9	51.3	50.1	49.8	48.5
Argentina	20.6	23.4	21.2	20.8	21.3	22.0
Brazil	27.6	25.5	24.4	22.4	21.6	20.9
Others	4.7	4.0	5.7	6.9	6.9	5.6
United States	9.6	9.3	9.8	12.0	11.6	12.1
Rest of Western Hemisphere	2.9	2.1	1.8	1.7	1.5	1.1
Europe	20.6	23.3	22.9	21.5	22.1	23.3
EC	17.6	19.6	20.8	19.4	19.4	20.6
Germany	3.9	3.6	3.6	3.0	3.2	3.3
Italy	4.2	4.8	5.2	5.2	4.6	4.6
United Kingdom	1.8	1.5	1.4	1.6	1.8	1.5
Others	7.7	9.7	10.6	9.6	9.8	11.2
Rest of Europe	3.0	3.7	2.1	2.1	2.7	2.7
Asia	12.1	10.0	9.6	9.2	10.3	11.0
Japan	5.2	2.8	2.6	2.2	2.6	2.4
Rest of Asia	6.9	7.2	7.0	7.0	7.7	8.6
Middle East	1.1	1.3	2.4	2.3	2.8	0.8
Africa	0.5	0.5	1.4	2.6	1.0	2.3
Other countries	0.5	0.6	0.8	0.7	1.0	0.9

Source: Central Bank of Uruguay.

Table 50. Uruguay: Summary of External Debt

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of U.S. dollars)						
Medium and long-term debt	3,821.1	4,562.6	4,696.4	4,937.4	5,225.6	5,647.0
Public sector 1/	3,458.1	4,143.3	4,274.9	4,540.6	4,760.7	5,161.1
Private sector 2/	363.0	419.3	421.5	396.8	464.9	485.9
Short-term debt	1,682.2	1,366.5	1,593.0	1,814.3	1,976.5	2,553.0
Public sector	749.7	419.4	525.1	420.5	292.5	402.1
Treasury notes	441.4	419.4	525.1	420.5	292.5	402.1
Private sector	932.5	947.1	1,067.9	1,393.8	1,684.0	2,150.9
Commercial banks	932.5	947.1	1,067.9	1,393.8	1,684.0	2,150.9
Total external debt	5,503.3	5,929.1	6,289.4	6,751.7	7,202.1	8,200.0
Public	4,207.8	4,562.7	4,800.0	4,961.1	5,053.2	5,563.2
Private	1,295.5	1,366.4	1,489.4	1,790.6	2,148.9	2,636.8
(In percent)						
Ratio of total debt to GDP	40.7	36.4	34.9	35.3	36.1	39.4
Ratio of public debt to GDP	31.1	28.0	26.6	25.9	25.3	26.7
Ratio of total debt to exports of goods and nonfactor services	206.9	182.5	179.4	175.5	170.5	194.1

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Includes long-term debt of the central bank.

2/ Suppliers' credits (including short-term).

Table 51. Uruguay: Summary of Public External Debt Service

	1993	1994	1995	1996	1997	Prel. 1998
(In millions of U.S. dollars)						
Debt service payments 1/	1,128.4	987.8	1,082.2	1,078.5	695.7	595.8
Amortization	830.1	673.6	727.3	749.3	345.0	221.7
Medium- and long-term 2/	270.6	232.2	307.9	227.0	220.0	221.7
Short-term 3/	559.5	441.4	419.4	522.3	125.0	0.0
Interest	298.3	314.2	354.9	329.2	350.7	374.1
Medium- and long-term	269.5	284.8	317.2	284.2	305.4	335.4
Short-term	28.8	29.4	37.7	45	45.3	38.7
Debt service payments excluding short-term amortization	568.9	546.4	662.8	556.2	570.7	595.8
Memorandum items:						
IMF repurchases	14.3	10.8	9.7	11.6	8.7	0.0
IMF charges	6.9	4.7	4.2	3.3	0.9	0.0
(In percent)						
Debt service ratios 4/						
Public debt service including the Fund	42.4	30.4	30.9	28.0	16.5	14.1
Interest	11.2	9.7	10.1	8.6	8.3	8.9
Amortization	31.2	20.7	20.7	19.5	8.2	5.2
Public debt service excluding the Fund	41.6	29.9	30.5	27.6	16.2	14.1
Interest	11.0	9.5	10.0	8.5	8.3	8.9
Amortization	30.7	20.4	20.5	19.2	8.0	5.2

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ After rescheduling. Includes payments to the Fund.

2/ 1991 figure includes US\$461 million related to the debt buy-back and interest and principal collateral components of the debt and debt service reduction operation with commercial banks of February 1991.

3/ All short-term debt is assumed to be "rolled over" once a year.

4/ In relation to exports of goods and nonfactor services; includes amortization of treasury bonds and notes denominated in foreign currency in hands of nonresidents, and medium-term suppliers' credits. Debt service ratios in 1991 include the cost of the debt reduction operation. Excludes short-term debt rollover.



Table 52. Uruguay: Disbursements, Amortization, and Outstanding External Public Debt

(In millions of U.S. dollars)

	Transactions during 1995			1995 Outstanding
	Disbursements	Amortization	Adjustment 1/	
Medium- and long-term debt	397.0	259.9	-5.5	4,274.9
Central Government 2/	121.4	84.0	8.0	1,331.4
University of Labor (UTU)	2.3	0.3	0.0	2.3
Treasury	14.7	42.7	6.8	845.6
Ministry of Agriculture and Fishing (MAP)	9.1	7.4	-0.9	95.6
Ministry of Industry and Energy	0.0	0.0	0.0	0.0
Commission of Agricultural Planning	0.0	0.9	-0.6	0.0
Ministry Public Works and Transportation	33.7	29.5	2.6	252.3
Ministry of Education and Culture	7.6	0.0	0.0	12.7
University of Montevideo	0.2	0.7	0.0	2.5
Air Force	0.0	0.0	0.0	0.0
Ministry of Public Health (MSP)	3.8	0.9	-0.1	34.4
National Public Education Adm. (ANEP)	11.3	0.0	0.0	28.2
Official Broadcasting Services (SODRE)	0.3	0.4	0.0	5.3
Customs	0.0	0.0	0.0	0.0
Ministry of Housing	32.0	0.0	0.1	32.6
Ministry of Defense	6.4	1.2	0.1	19.9
Local governments	10.4	4.7	2.4	71.8
Official banks	1.2	3.3	-1.4	204.4
BROU	1.2	3.3	-0.2	73.7
BHU	0.0	0.0	-1.2	130.7
Monetary authorities 3/	0.0	7.2	4.8	101.0
Public enterprises	23.5	57.9	-19.3	1,002.8
UTE	12.8	42.8	-18.4	754.8
ANTEL	9.0	6.6	-0.1	87.1
ANCAP	0.7	2.0	0.0	21.1
OSE	0.0	2.8	1.0	22.5
ANP	0.0	2.3	0.1	0.0
Salto Grande	0.0	0.0	-2.1	69.0
PLUNA	0.0	1.4	1.1	23.8
AFE	1.0	0.0	-0.9	24.5
Treasury bonds	240.5	59.9	0.0	1,429.8
Suppliers' credits	0.0	42.9	0.0	133.7
Memorandum items				
Treasury notes	105.7	0.0	0.0	525.1
BROU, net nonresident deposits	43.4	0.0	0.0	326.4
BHU, net nonresident deposits	0.0	3.1	0.0	25.9
Total, including treasury notes, BROU and BHU	546.1	263.0	-5.5	5,152.3

Table 52. Uruguay: Disbursements, Amortization, and Outstanding External Public Debt

(In millions of U.S. dollars)

	Transactions during 1996			1996
	Disbursements	Amortization	Adjustment 1/	Outstanding
Medium- and long-term debt	503.6	227.6	-10.3	4,540.6
Central Government 2/	139.6	84.6	-12.5	1,373.9
University of Labor (UTU)	1.3	0.0	-0.6	3.0
Treasury	70.7	40.8	0.8	876.3
Ministry of Agriculture and Fishing (MAP)	7.0	7.4	2.0	97.2
Ministry of Industry and Energy	0.0	0.0	0.0	0.0
Commission of Agricultural Planning	0.0	0.0	0.0	0.0
Ministry Public Works and Transportation	45.7	34.6	-16.2	247.2
Ministry of Education and Culture	3.8	0.0	3.6	20.1
University of Montevideo	0.0	0.4	-0.4	1.7
Air Force	0.0	0.0	0.0	0.0
Ministry of Public Health (MSP)	0.5	0.0	0.1	35.0
National Public Education Adm. (ANEP)	3.6	0.0	0.0	31.8
Official Broadcasting Services (SODRE)	0.2	0.4	-0.1	5.0
Customs	0.6	0.0	0.2	0.8
Ministry of Housing	3.3	0.0	-0.2	35.7
Ministry of Defense	2.9	1.0	-1.7	20.1
Local governments	2.5	4.4	-3.9	66.0
Official banks	1.0	3.5	1.8	203.7
BROU	1.0	3.5	0.4	71.6
BHU	0.0	0.0	1.4	132.1
Monetary authorities 3/	0.0	6.7	7.8	102.1
Public enterprises	41.3	83.0	-3.2	957.9
UTE	13.4	69.5	-2.3	696.4
ANTEL	5.8	6.0	0.2	87.1
ANCAP	0.0	2.0	0.1	19.2
OSE	21.9	2.7	-0.2	41.5
ANP	0.0	0.0	0.2	0.2
Salto Grande	0.0	0.0	-0.8	68.2
PLUNA	0.0	1.4	1.7	24.1
AFE	0.2	1.4	-2.1	21.2
Treasury bonds	297.4	12.7	1.7	1,716.2
Suppliers' credits	21.8	32.7	-2.0	120.8
Memorandum items				
Treasury notes	25.5	130.1	0.0	420.5
BROU, net nonresident deposits	36.1	0.0	0.1	362.6
BHU, net nonresident deposits	4.5	0.6	0.0	29.8
Total, including treasury notes, BROU and BHU	569.7	358.3	-10.2	5,353.5

Table 52. Uruguay: Disbursements, Amortization, and Outstanding External Public Debt

(In millions of U.S. dollars)

	Transactions during 1997			1997 Outstanding
	Disbursements	Amortization	Adjustment 1/	
Medium- and long-term debt	982.2	715.6	-46.5	4,760.7
Central Government 2/	247.5	382.4	13.2	1,252.2
University of Labor (UTU)	3.4	0.0	0.0	6.4
Treasury	165.8	339.7	28.8	731.2
Ministry of Agriculture and Fishing (MAP)	10.4	9.9	-1.7	96.0
Ministry of Industry and Energy	0.0	0.0	0.0	0.0
Commission of Agricultural Planning	0.0	0.0	0.0	0.0
Ministry Public Works and Transportation	45.7	30.1	-13.1	249.7
Ministry of Education and Culture	6.8	0.0	-0.4	26.5
University of Montevideo	0.0	0.7	0.1	1.1
Air Force	0.4	0.0	-0.4	0.0
Ministry of Public Health (MSP)	0.8	0.0	0.0	35.8
National Public Education Adm. (ANEP)	6.7	0.0	0.0	38.5
Official Broadcasting Services (SODRE)	0.0	0.4	0.0	4.6
Customs	0.2	0.0	0.0	1.0
Ministry of Housing	7.3	0.0	-0.1	42.9
Ministry of Defense	0.0	1.6	0.0	18.5
Local governments	0.0	5.2	-3.1	57.7
Official banks	1.2	14.6	-3.9	186.4
BROU	1.2	3.5	-3.9	65.4
BHU	0.0	11.1	0.0	121.0
Monetary authorities 3/	296.5	0.1	-0.5	398.0
Public enterprises	97.5	74.4	-52.2	928.8
UTE	53.4	57.7	-28.8	663.3
ANTEL	0.0	4.1	-2.5	80.5
ANCAP	0.0	2.0	-0.6	16.6
OSE	37.1	2.5	-9.8	66.3
ANP	5.8	0.0	-5.7	0.3
Salto Grande	0.0	3.7	-2.0	62.5
PLUNA	0.0	2.0	0.0	22.1
AFE	1.2	2.4	-2.8	17.2
Treasury bonds	339.5	196.6	0.0	1,859.1
Suppliers' credits	0.0	42.3	0.0	78.5
Memorandum items				
Treasury notes	0.0	128.0	0.0	292.5
BROU, net nonresident deposits	14.9	0.0	0.0	377.5
BHU, net nonresident deposits	0.0	1.5	0.0	28.3
Total, including treasury notes, BROU and BHU	997.1	845.1	-46.5	5,459.0

Table 52. Uruguay: Disbursements, Amortization, and Outstanding External Public Debt

(In millions of U.S. dollars)

	Transactions during 1998			1998
	Disbursements	Amortization	Adjustment 1/	Outstanding
Medium- and long-term debt	586.8	238.6	52.2	5,161.1
Central Government 2/	240.9	114.7	50.6	1,429.0
University of Labor (UTU)	5.0	0.0	-0.1	11.3
Treasury	163.0	69.1	48.0	873.1
Ministry of Agriculture and Fishing (MAP)	10.7	9.9	0.6	97.4
Ministry of Industry and Energy	0.0	0.0	0.0	0.0
Commission of Agricultural Planning	0.0	0.0	0.0	0.0
Ministry Public Works and Transportation	49.2	33.0	2.3	268.2
Ministry of Education and Culture	1.0	0.0	0.4	27.9
University of Montevideo	0.0	0.7	0.0	0.4
Air Force	0.8	0.0	0.3	1.1
Ministry of Public Health (MSP)	3.7	0.0	-0.4	39.1
National Public Education Adm. (ANEP)	5.2	0.0	-0.4	43.3
Official Broadcasting Services (SODRE)	0.0	0.4	-0.1	4.1
Customs	0.0	0.0	0.0	1.0
Ministry of Housing	1.9	0.0	0.0	44.8
Ministry of Defense	0.4	1.6	0.0	17.3
Local governments	0.0	5.0	2.0	54.7
Official banks	2.0	12.0	0.0	176.4
BROU	1.7	5.3	0.3	62.1
BHU	0.3	6.7	-0.3	114.3
Monetary authorities 3/	0.0	16.6	-14.1	367.3
Public enterprises	32.7	90.3	13.7	884.9
UTE	27.2	67.9	2.6	625.2
ANTEL	0.0	5.4	-0.2	74.9
ANCAP	0.0	2.4	-0.1	14.1
OSE	5.3	9.2	8.9	71.3
ANP	0.2	0.0	-0.2	0.3
Salto Grande	0.0	3.2	-0.2	59.1
PLUNA	0.0	1.1	-0.2	20.8
AFE	0.0	1.1	3.1	19.2
Treasury bonds	305.1	0.0	0.0	2,164.2
Suppliers' credits	6.1	0.0	0.0	84.6
Memorandum items				
Treasury notes	109.6	0.0	0.0	402.1
BROU, net nonresident deposits	0.0	13.3	0.0	364.2
BHU, net nonresident deposits	0.0	0.5	0.0	27.8
Total, including treasury notes, BROU and BHU	696.4	252.4	52.2	5,955.2

Sources: Central Bank of Uruguay; and Fund staff estimates.

1/ Reflects valuation of adjustments due to changes in exchange rates.

2/ Excludes treasury bills and bonds.

3/ Excludes use of IMF credit.

Table 53. Uruguay: Amortization for Medium- and Long-Term Public Sector External Debt

(In millions of U.S. dollars)

	Outstanding Debt				Amortization							Without Definite Maturity Date
	December				1999	2000	2001	2002	2003	2004	After 2004	
	1995	1996	1997	1998								
Total	4,247.7	4,513.4	4,733.5	5,132.1	487.6	440.6	440.6	456.2	693.8	364.7	2,235.4	13.2
By debtor												
Central Government	1,331.4	1,373.9	1,252.2	1,429.0	129.5	126.6	140.9	148.9	151.8	127.9	603.4	0.0
Local government	71.8	66.0	57.7	54.7	5.4	5.4	5.3	5.3	5.3	5.3	22.7	0.0
Public enterprises	1,002.8	957.9	928.8	883.1	95.9	93.0	98.3	86.6	84.1	83.1	342.1	0.0
Official banks	204.4	203.7	186.4	176.4	11.9	11.9	11.3	10.7	10.6	10.6	109.4	0.0
Monetary authorities 1/	73.8	74.9	370.8	340.1	48.4	8.1	8.1	8.1	8.1	8.1	241.9	9.3
Supplier's credits	133.7	120.8	78.5	84.6	63.9	6.1	0.9	0.7	0.8	0.7	7.6	3.9
Treasury bonds	1,429.8	1,716.2	1,859.1	2,164.2	132.6	189.5	175.8	195.9	433.1	129.0	908.3	0.0
By creditor												
Official	1,260.3	1,275.6	1,352.7	1,352.7	130.9	126.9	147.4	143.0	144.0	125.5	535.0	0.0
Multilateral 1/	1,192.0	1,201.5	1,305.5	1,305.5	126.5	121.4	140.9	136.6	137.9	119.5	522.7	0.0
Bilateral	68.3	74.1	47.2	47.2	4.4	5.5	6.5	6.4	6.1	6.0	12.3	0.0
Private	3,014.8	3,264.9	3,525.5	3,525.5	356.7	313.7	293.2	313.2	549.8	239.2	1,446.5	13.2
Suppliers	133.7	120.8	78.5	78.5	63.9	6.1	0.9	0.7	0.8	0.7	5.4	0.0
Financial markets	1,429.8	1,716.2	2,014.8	2,014.8	132.6	189.5	175.8	195.9	433.1	129.0	758.9	0.0
Commercial banks	1,008.5	1,009.0	1,009.8	1,009.8	66.3	64.2	62.9	60.8	60.7	60.8	633.8	0.3
Other	442.8	418.9	422.4	422.4	93.9	53.9	53.6	55.8	55.2	48.7	48.4	12.9

Source: Central Bank of Uruguay.

1/ Includes IMF credit.

Table 54. Uruguay: Net International Reserves of the Central Bank

(In millions of U.S. dollars, unless otherwise indicated)

	1993	1994	1995	1996	1997	1998
Assets	1,286.7	1,516.1	1,824.0	1,908.9	2,068.4	2,589.3
Gold 1/	496.2	522.0	663.8	642.1	509.7	513.4
SDRs	0.0	0.0	4.0	3.9	0.0	0.7
Correspondents 2/	1.4	2.0	7.9	6.5	6.9	56.9
Other assets	789.1	992.1	1,148.3	1,256.4	1,551.8	2,018.3
Liabilities	84.9	86.6	56.1	33.7	2.5	162.2
IMF	38.4	29.9	21.0	8.6	0.0	160.7
Other liabilities	46.5	56.7	35.1	25.1	2.5	1.5
Net international reserves	1,201.8	1,429.5	1,767.9	1,875.2	2,065.9	2,427.1
Memorandum items						
Gold (millions of fine troy ounces)	1,700.0	1,704.0	1,715.0	1,736.3	1,760.0	1,783.6
Gross reserves (in months of imports of goods and services)	5.4	5.2	6.1	5.8	5.7	6.9

Sources: Central Bank of Uruguay; IMF, International Financial Statistics; and Fund staff estimates.

1/ Price of gold per troy ounce: US\$307.71 in 1990, US\$283.04 in 1991, US\$266.80 in 1992, US\$291.89 in 1993, US\$306.36 in 1994, and US\$387.05 in 1995 and 1996.

2/ Overnight accounts.

Table 55. Uruguay: Exchange Rates 1/

	Period Average	End of Period
(New Uruguayan pesos per U.S. dollar)		
1982	13.85	33.50
1983	34.38	43.00
1984	55.89	74.00
1985	101.16	124.75
1986	151.43	180.00
1987	225.52	276.09
1988	359.44	451.00
1989	634.70	805.00
1990	1,235.10	1,593.00
1991	2,088.58	2,488.00
1992	3,107.82	3,480.00
1993	4,134.00	4,196.00
(Uruguayan pesos per U.S. dollar) 2/		
1994		
March	4.56	4.69
June	4.84	4.99
September	5.25	5.57
December	5.54	5.60
1995		
March	5.84	5.95
June	6.14	6.26
September	6.51	6.64
December	6.92	7.11
1996		
March	7.34	7.54
June	7.74	7.99
September	8.24	8.36
December	8.54	8.71
1997		
March	8.91	9.08
June	9.30	9.49
September	9.66	9.75
December	9.90	9.97
1998		
March	10.05	10.21
June	10.25	10.42
September	10.54	10.83
December	10.62	10.78

Source: Central Bank of Uruguay.

1/ Buying rate. Until 1978, the exchange rates listed are those prevailing in the commercial foreign exchange market. On October 17, 1978, the Central Bank unified the commercial and financial foreign exchange markets and on December 26, 1978, the Government announced that the new peso would be depreciated each month according to preannounced rate. On November 26, 1982, a managed float system was implemented.

2/ The Uruguayan peso replaced the new Uruguayan peso at the rate of 1,000 to 1 on March 1, 1993.

Table 56. Uruguay: Measures of Competitiveness

	Real Effective Exchange Rate 1/	Wage-based	Bilateral Real Effective Exchange Rate		
		Real Effective Exchange Rate 2/	Argentina	Brazil	Unites States
Index 1990=100					
1993					
First quarter	133.6	150.0	84.1	166.0	131.7
Second quarter	139.6	158.3	86.3	169.4	138.3
Third quarter	142.9	169.7	90.5	172.2	146.1
Four quarter	146.5	163.4	92.2	175.9	148.7
1994					
First quarter	143.6	162.5	93.3	162.5	149.9
Second quarter	148.5	174.0	95.4	175.3	153.6
Third quarter	131.6	159.7	91.8	135.8	149.1
Four quarter	142.5	156.0	100.7	139.4	163.8
1995					
First quarter	146.4	164.9	101.8	142.5	165.8
Second quarter	143.8	161.9	105.0	143.8	170.2
Third quarter	149.9	172.3	106.4	149.0	172.4
Four quarter	148.2	158.3	104.7	146.7	169.4
1996					
First quarter	147.6	161.6	105.7	145.9	168.3
Second quarter	146.5	165.9	106.0	143.3	167.3
Third quarter	147.7	173.7	107.1	146.5	169.0
Four quarter	147.5	157.7	106.9	146.9	167.5
1997					
First quarter	152.5	168.2	106.7	146.5	167.8
Second quarter	153.2	171.6	106.4	147.1	168.9
Third quarter	154.8	185.1	107.3	146.1	170.2
Fourth quarter	154.4	166.0	107.2	144.3	171.0
1998					
First quarter	158.0	176.6	107.9	143.5	171.1
Second quarter	157.4	180.0	108.2	142.7	172.4
Third quarter	157.3	189.7	108.8	139.0	173.3
Fourth quarter	153.7	166.1	107.2	134.7	172.3
(Average annual percentage change)					
1985	-0.4	7.3	6.8	-1.7	-8.2
1986	6.0	11.0	-0.5	6.2	15.3
1987	1.4	6.6	6.3	-1.5	6.4
1988	-4.7	-4.9	3.3	-12.1	-2.1
1989	1.8	1.3	28.1	-12.9	2.3
1990	-15.3	-19.0	-33.2	-15.9	3.3
1991	15.0	22.0	-14.4	38.0	12.2
1992	6.9	11.1	-5.5	16.3	8.9
1993	14.5	18.3	9.1	6.5	15.6
1994	0.6	1.7	8.0	-10.3	9.1
1995	3.9	0.8	9.6	-5.1	10.0
1996	0.2	0.2	1.9	0.1	-0.8
1997	4.3	4.9	0.4	0.2	0.9
1998	1.9	3.1	1.1	-4.1	1.7

Sources: Central Bank of Uruguay; IMF Information Notice System; and Fund staff estimates.

1/ Based on consumer prices. INS data with updated trade weights.

2/ Real private sector wages multiplied by real effective exchange rate. Increase indicates loss in competitiveness.



## I. UNEMPLOYMENT AND REAL WAGES<sup>1</sup>

Uruguay's process of market-oriented reforms during the 1990s has boosted trade flows and productivity, and brought down inflation to a single digit. However, at more than 10 percent, **the unemployment rate continues to be high by historical standards** (Figure 1), despite almost a decade of impressive GDP growth. Also, Uruguayan (and Argentine) unemployment is high compared with other countries in the region (Figure 2)<sup>2</sup> This note presents background facts to analyze the nature of Uruguayan unemployment and the role of union wage bargaining for the labor market outcome.

A Phillips-curve diagram is helpful to gain a first overview of recent developments on the labor market (Figure 3). In the early phase of stabilization, between January 1991 (when inflation peaked at 140 percent) and October 1993, the **relationship between inflation and unemployment** was almost vertical. Inflation could be reduced without much cost, as expectations adapted quickly. The "sacrifice ratio" was minimal since unemployment remained constant or even fell slightly. However, reducing inflation became more difficult as it declined below 50 percent. Residual inflation expectations were harder to overcome and structural reforms to make the economy more efficient produced layoffs. A (first) negatively sloped Phillips curve appears in late 1993, forcing unemployment up to 13 percent over the next three years. However, the government remained strongly committed to disinflation, despite the rise in unemployment and an external demand shock in 1995 that plunged Uruguay into a recession. This might have convinced the public to revise its inflationary expectations. The Phillips curve shifted downward in late 1996 and 1997, allowing unemployment to fall. With a second external demand shock since late 1998, unemployment has increased again. However, as confidence in the disinflation policies strengthened, Uruguay has obtained a much more favorable inflation-unemployment tradeoff than at the beginning of the decade.

The Phillips curve diagram in Figure 3 also suggests a distinction between structural and cyclical unemployment in Uruguay. The **two (external) demand shocks** of the 1990s have added a **cyclical component** to unemployment. Data on the **duration of unemployment** (Figure 4) support the notion that the deterioration on the labor market in the mid-1990s was in part cyclical. The graph shows a "duration loop" familiar from Western European economies. As economic conditions deteriorated (the "Tequila crisis"), employees were dismissed and entered

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<sup>1</sup> Prepared by Benedikt Braumann.

<sup>2</sup> Because of its even income distribution and high level of social spending, Uruguay is often compared to Western European countries. A first glance at the labor market seems to support this comparison.

the unemployment pool. The duration of an average unemployment spell fell, since the job losses were recent (1995). As the downturn bottomed out, unemployment continued to increase, and duration did so, too (1996). Job creation resumed with the start of a new recovery (1997-98) and the unemployment rate began to fall. However, firms first hired people with a short history of unemployment, since they appear more productive. The share of long-term unemployed and parallel to it the average duration increased. Only in a prolonged recovery will the long-term unemployed find jobs as well, and duration fall will (as happened in 1988-93).

A more precise measure of structural and cyclical unemployment can be obtained from a simple econometric estimation. The NAIURU (non-accelerating inflation rate of unemployment) is often used as an empirical approximation to structural unemployment. Figure 5 shows an estimate of the NAIURU in Uruguay.<sup>3</sup> The unemployment rate is regressed on the change in CPI (DI) inflation (augmented Phillips curve) and a vector of structural variables, using monthly data over the period 1985.01 – 1999.03. The structural variables include: real wages to account for union wage pressure (WR), cement sales for capital formation (CE), electricity consumption for industrial and household activity (EL), the relative price of non-tradables to tradables as a proxy for structural change (RP), real M2 balances (M2) and the slaughter of cattle (SL). An OLS regression yields the following:

$$U = 20.8 - 0.075*DI + 0.20*WR - 4.71*CE - 0.29*EL + 0.075*RP - 0.029*M2 + 0.38*SL$$

(10.80) (5.46)      (6.19)      (4.76)      (4.10)      (12.21)      (2.95)      (1.42)

Adjusted  $R^2 = 0.67$ , numbers in brackets are t-values.

This equation can be used to calculate the NAIURU by setting the change in inflation to zero and solving for unemployment.

Figure 5 shows that **unemployment in Uruguay is mostly structural**. Cyclical fluctuations around the NAIURU become more pronounced in the mid- and late 1990s, but they remain small compared to the overall level of unemployment. The NAIURU reached a peak during the crisis of 1983-85, and again during the years of high inflation 1989/90 before declining to just above 8 percent in the early 1990s. Structural change associated with the opening of the economy resulted in higher mismatch on the labor market and increased the NAIURU substantially in the mid-1990s.

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<sup>3</sup> The calculation follows the method of Fallon, R. and Very, P. (1988): *The Economics of the Labor Market*. Oxford: Phillip Allan.

Unemployment benefits, demographics, skills mismatch and real wage pressure from the unions are often cited as important **reasons for high structural unemployment**. These factors will be examined next for the case of Uruguay.

Uruguayan **unemployment benefits** are generous compared to the region, but the coverage is limited to workers in industry, trade and construction.<sup>4</sup> Important sectors such as banking, agriculture and government are not included, but dismissals in these sectors are rare. Benefits are equivalent to 50 percent of the last wage and are disbursed for a maximum of six months. The data do not allow to calculate an average replacement ratio (average ratio of benefits to wages). However, the small number of people receiving benefits suggests that it might be quite low: In December 1994, 20,058 people, or less than 15 percent of all unemployed, were receiving benefits.

**Unemployment is largely a phenomenon of second wage earners.** Unemployment is relatively low among household heads (*jefes de hogar*). With an average rate of 3.5 percent over the last 12 years, this important group – at least until recently – enjoyed full employment (Figure 6). The incidence of unemployment is concentrated among women and the young, especially if they are not heads of a household. In March 1999, the unemployment rate for young people (below 25) was 30 percent, compared to 7 percent for older people. In both groups, women were about twice as likely to be unemployed as men. About 60 percent of all unemployed were people that did not lead a household.

About half of the job-seekers are not willing to take a job unless certain conditions are met. Figure 7 shows the requirements that the unemployed demand from their next job. The most important is to work in the same profession as before, which indicates a **low inter-sectoral mobility of labor**. High standards of education endow Uruguayan employees with significant amounts of specialized human capital. This makes the work force more productive but also, in the Uruguayan context, creates job specific expectations for employees, which makes the labor market vulnerable to sectoral restructuring.

On the other hand, the share of persons demanding no conditions from their prospective job has risen substantially, from 30 percent in 1993 to almost 60 percent in early 1999. This is indicative of increasing **skill mismatch** on the Uruguayan labor market after almost a decade of deep structural changes. The doubling of the unemployment rate for *jefes de hogar* points in the same direction (see Figure 6). Most of the increase of unemployment in the 1990s can be explained by this component.

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<sup>4</sup> The following paragraph is based on ILO (1997): "Uruguay: Unemployment Insurance and Employment Services", *International Review of Social Security*, 121-127.

Figure 8 shows a historical time series of **real wages in Uruguay**. Unions were banned and collective bargaining suspended after the military took over the government in 1973. Firms were relatively free to adjust wages and employment for a period of 12 years. Upon the return to democracy in 1985, unions quickly re-organized and collective bargaining was restored.<sup>5</sup> Real wages fell by about 50 percent during the military government, then stabilized after 1985, but hardly increased. This might reflect the fact that union density has been declining again after an initial surge. In 1987, 23 percent of all employees had become union members, but their number fell to 17 percent in 1993. In addition, most Uruguayan markets were opened up in the years 1973–85, and liberalized further during the 1990s. The labor market thus continued to be exposed to strong competitive forces.

In recent years, moderate wage increases have been accompanied by **strong gains in productivity** (Figure 9). Real wages grew by an average of only 0.5 percent since 1990, compared with 4 percent for economy-wide productivity and 7.5 percent for productivity in manufacturing. This reduced unit labor costs and allowed for the net creation of almost 200,000 jobs in the economy since 1990 (Figure 10). Employment expanded by an average of 1.6 percent a year over this period. However, the increase in labor demand did not lead to lower unemployment as it was matched or even surpassed by an increase in labor supply. The **participation rate** increased from 58 to 63 percent over the 1990s, mostly due to an increased participation of women. Thanks to this, the average Uruguayan household was able to increase its real income by about 20 percent, despite the small gains in real wages (Figure 11).

To sum up, most Uruguayan unemployment seems to be structural. A cyclical component of unemployment has emerged now and then in recent years, typically associated with negative external demand shocks. The main reasons for high structural unemployment include high reservation wages among second wage earners, structural change of the economy and a strong increase in labor supply. Real wage growth has been moderate over the 1990s. A more competitive environment and falling union density are gradually reducing unit labor costs. This has allowed the net creation of jobs and particularly a rising labor force participation of women. The addition of second wage earners contributed to an increase in real household income.

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<sup>5</sup> See Allen, S., Cassoni, A., and Labadie, G. (1996): Wages and Unemployment after Reunionization in Uruguay. *Cuadernos de Economía*, 33, 277-293 for background and econometric evidence.

Data Sources:

Figure 1. Latest national central bank bulletins.

Figure 2. International Labor Office (ILO): Labor statistics and National Statistical Institute (INE).

Figure 3. INE, Central Bank of Uruguay (BCU) and Fund staff calculations.

Figure 4. INE.

Figure 5. INE.

Figure 6. INE.

Figure 7. *International Financial Statistics* and INE.

Figure 8. ILO Labor statistics and BCU.

Figure 9. BCU and Fund staff calculations.

Figure 10. BCU.

Figure 11. BCU and INE.

Figure 1. Historical Unemployment Rate

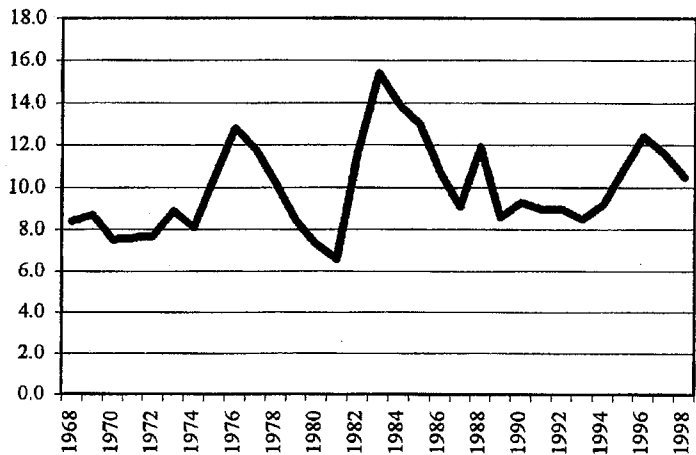


Figure 2. Unemployment in the Region - 1998

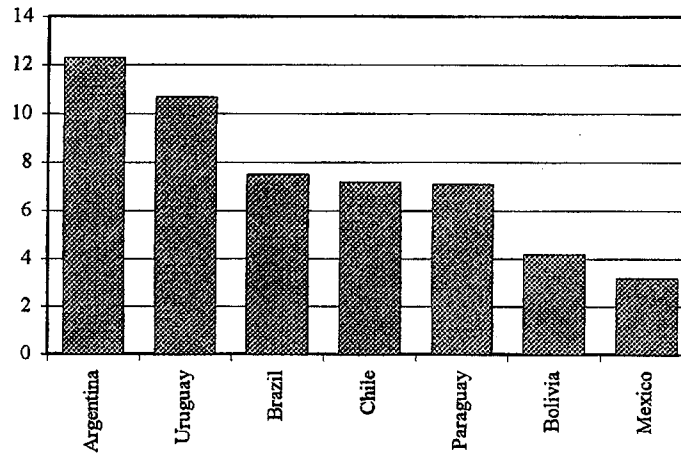


Figure 3. Phillips Curves 1985-99

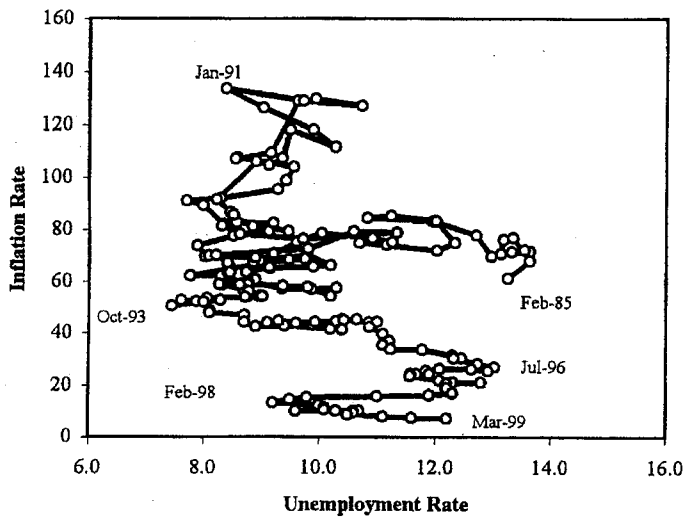


Figure 4. Duration of Unemployment

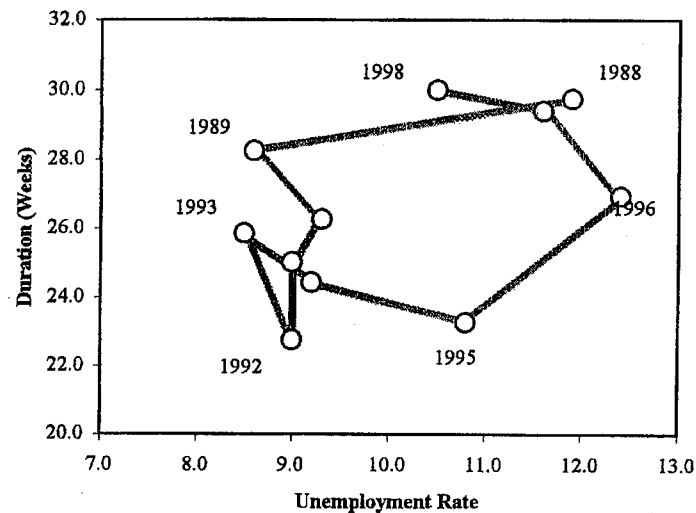


Figure 5. NAIRU

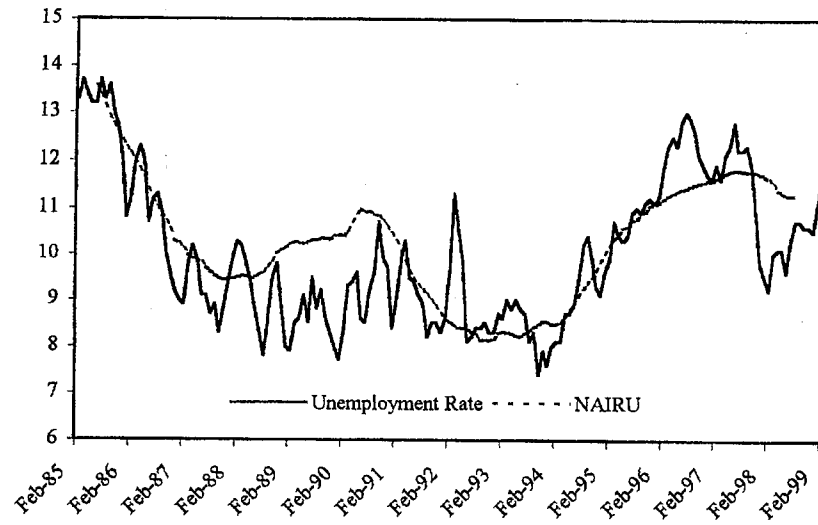


Figure 6. Unemployment Rates

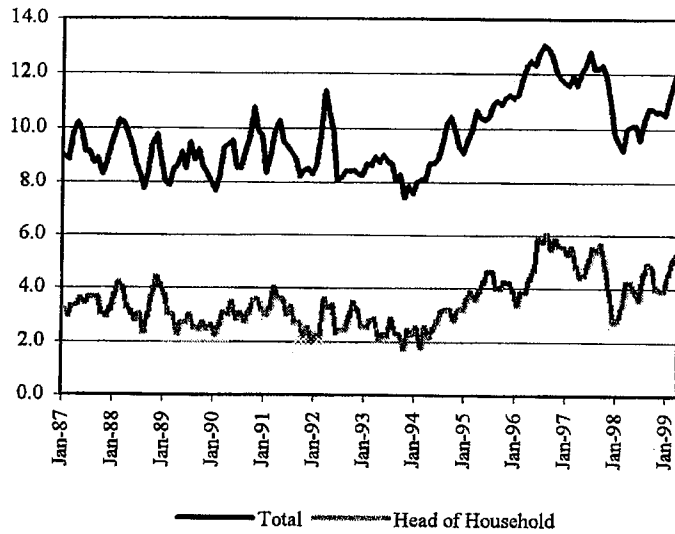


Figure 7. Requirements of Job-Seekers

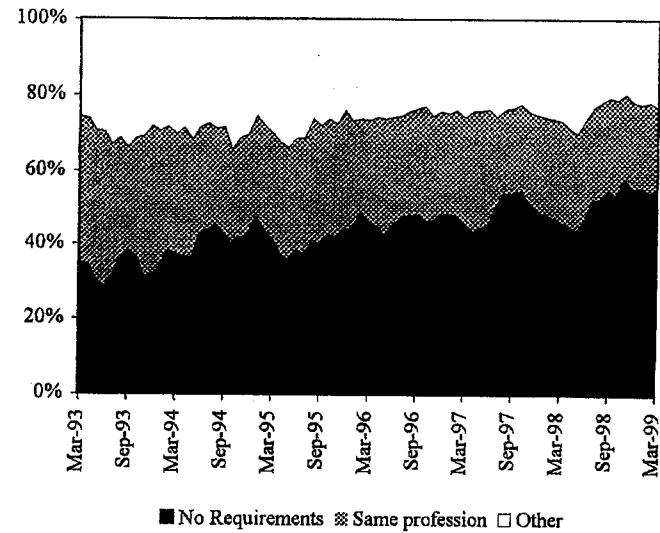


Figure 8. Real Wages 1960-98

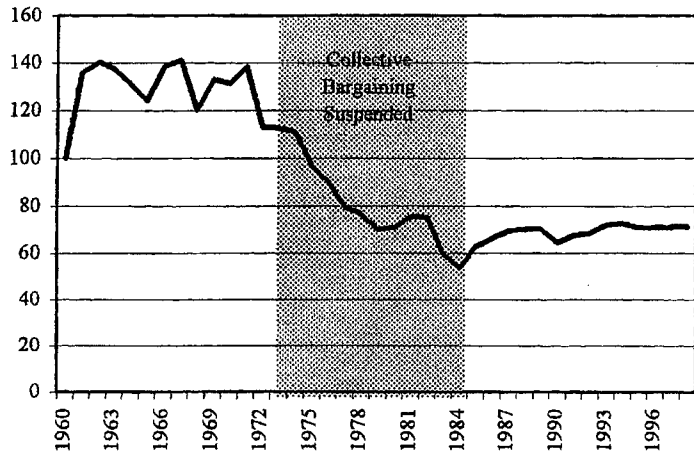


Figure 9. Real Wage and Productivity

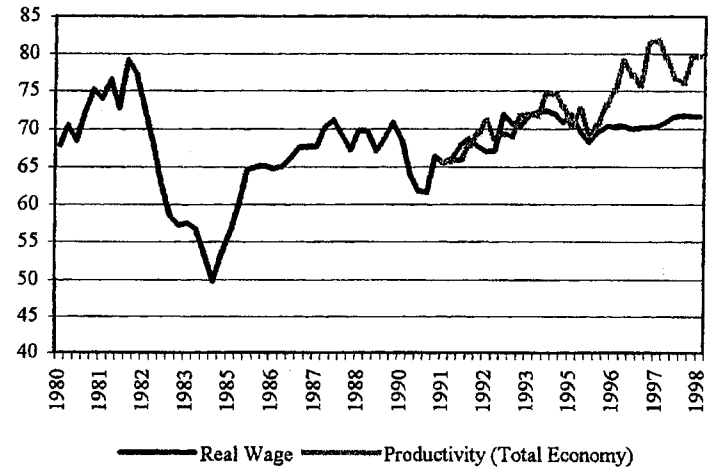


Figure 10. Total Employment

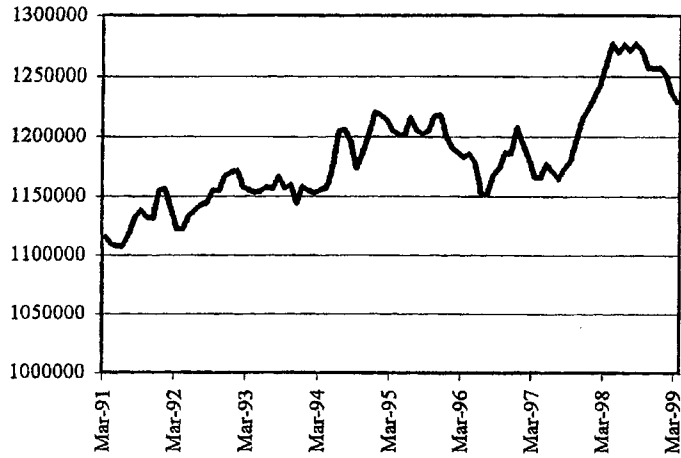
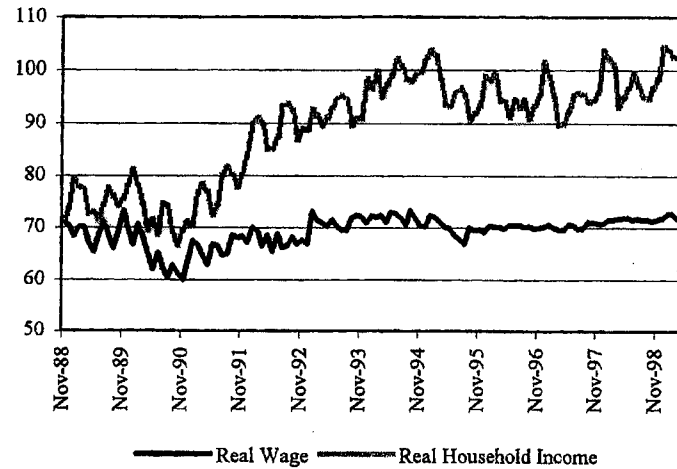


Figure 11. Real Wages and Household Income





## II. INTERNATIONAL RESERVES ADEQUACY IN URUGUAY

### ALTERNATIVE PERSPECTIVES<sup>6/</sup>

This note examines Uruguay's **gross international reserve holdings** (including gold), in comparison to several other countries. The conclusions are:

- Measured against **imports of goods and services**, Uruguay's reserve holdings compare favorably with most other countries.
- This policy substantially insulates Uruguay against **shocks to the current account** and has benefited the country by increasing investor confidence and reducing interest rates.
- However, Uruguay is less well insulated against capital account shocks, according to ratios of international reserves to **broad money, debt service**, or the stock of **short-term debt**.
- Given that international reserves provide confidence, help to improve credit ratings, and lower interest spreads, if Uruguay were to accumulate additional reserves, and keep them permanently, the **benefits of doing so would exceed the costs**.

#### A. Uruguay Has Shielded itself Well Against Shocks to Goods Markets

As a traditional measure of a country's insulation against shocks to goods markets, international reserves are scaled by **imports of goods and services**. According to this measure, Uruguayan reserves have risen from under five months during the early 1990s to almost seven months (about US\$2.6 billion dollars) by end-1998. Also, by this measure, relative to other countries, Uruguay compares favorably. As Part A of Table 57 shows, this ratio for Uruguay substantially exceeds the mean for a sample of 19 selected emerging market countries.

#### B. Uruguay's High Reserve Holdings Have Already Brought Benefits

All else equal, increased holdings of international reserves should reduce country risk, increase investor confidence, and thus reduce interest rates. This hypothesis is supported by data on reserve levels and dollar interest spreads (relative to U.S. Treasury bonds) in several developing countries for which such interest rates are available, including Uruguay, as presented in Table 58.

Many factors determine a country's spread over U.S. interest rates. However, even without examining such other factors, these data suggest that lower levels of international reserves are generally associated with a higher yield spread paid on their international bond issues. A simple bivariate regression yields an elasticity of the spread with respect to the reserves to import ratio of approximately minus one half. That is, a 1 percent increase in reserves (measured in months of

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<sup>6</sup> Prepared by Jose Bailen, Juan Carlos Jaramillo, and Evan Tanner.

imports) will reduce the spread (measured in basis points) by ½ percent. Moreover, the only two countries that paid a lower interest spread than Uruguay in recent bond issues, Chile and China, also held more reserves (relative to imports) than Uruguay; and except for Argentina, all countries that pay a higher interest spread than Uruguay also hold fewer reserves (relative to imports).

### **C. However, it is Difficult for Countries to Fully Protect Themselves from Shocks to the Capital Account**

Another motive for international reserve holdings should be to protect a country from financial shocks like market contagion and deposit outflows, while also permitting external debt obligations (both short- and long- term) to be serviced.

The **ratio of official reserves to currency** indicates the monetary authorities' ability to withstand pressure on the exchange rate stemming from a flight away from the local currency (but not away from banks). As the data in Part B of Table 57 suggest, Uruguay's official reserves are about twice as large as currency, similar to the average observed in other emerging economies.

A broader indicator of a country's ability to confront a flight from its liquid assets may be gauged by its **ratio of official reserves to broad money** (the sum of money and quasi-money). As the data in Part C of Table 57 suggest, by this measure, Uruguay compares less favorably against an average of 23 emerging market economies. The average for these countries has increased in recent years, from about 39 percent in 1990 to over 52 percent by end 1998. In Uruguay, this ratio grew rapidly, from 16.2 percent in 1990 to 24.2 percent in 1998. Despite this rapid growth, however, it remains below the average of other emerging economies.

The above calculation treats all countries alike and thus ignores Uruguay's unusual position as a **safe haven for deposits**. In Uruguay, such nonresident deposits are an important component of broad money and are not typically intermediated domestically. Instead, the banks hold the counterpart of these deposits themselves in relatively liquid foreign assets. At end-1998, liquid foreign assets roughly offset such deposits in Uruguayan banks. If these deposits are excluded from broad money, the ratio of official reserves to broad money rises to about 37 percent. Even considering this adjustment, however, this ratio for Uruguay remains below the average for other emerging economies.

**Scheduled debt service (both short- and long- term)** also plays a role in evaluating reserve holdings. In a crisis, debt service will strain reserves, as debt rollover or new credits will be difficult to obtain. Greater reserve holdings should, all else equal, facilitate repayment and reduce difficulties to renew old debts.

As Part D of Table 57 shows, Uruguay's coverage of **official reserves to debt service** (which excludes amortizations on short-term debt) has risen dramatically in recent years, from 39 percent in 1990 to over 160 percent in 1998. This exceeds the average for the Western Hemisphere countries, but nonetheless is below that for other comparable net debtor countries.

Part E of Table 57 also shows the ratio of **official reserves to short-term external debt** for several groups of countries and for Uruguay. Uruguay's ratio has remained around 80 percent and is above the Latin American average, but it is somewhat below the reserve coverage of short-term debt of other comparator emerging-market countries, whose ratio exceeds 90 percent.

**D. For Uruguay, the Eventual Benefits of Additional Reserve Holdings Exceed the Costs**

Reserve holdings imply a cost. For debtor countries, the opportunity cost of reserves is best measured by the difference between the interest rate paid on external debt and that received on reserve assets. In 1998 the implicit average interest rate paid on the external debt was 6.6 percent. At the same time, the implicit rate of return of nongold reserve assets was 4.5 percent.<sup>7</sup> Thus, opportunity cost of holding reserves is about 2 percent. As mentioned above, there is evidence that an increase in reserve holdings benefit a country by lowering interest rates it faces in world markets.

To compare costs and benefits, consider a *permanent* increase in reserve holdings of US\$100 million. The yearly, undiscounted cost of such additional reserve holdings will be US\$2.1 million, while the *ratio* of reserves to imports would increase by 4 percent. The evidence presented in Section 2 suggests that the spread (measured in basis points) would fall by about 2 percent. Recently, the spread faced by Uruguay has been about 300 basis points.<sup>8</sup> Thus, the spread should fall by about six basis points.

The benefits of additional reserve holdings depend on whether the new, lower spreads apply to only new, additional debt or to the entire existing debt as well. In the less favorable case, suppose that the new, lower spread applies only to short term debt, about US\$5 billion. In this case, the *immediate* benefit to Uruguay would be about US\$3 million, greater than the cost of US\$2.1 million mentioned above.

However, if the reduction in spreads is permanent, the gains will also apply to the medium-and long- term debt (about US\$7 billion dollars) as it is rolled over. In undiscounted terms, yearly benefits on the total debt stock (short, medium, and long term) would be about US\$7.2 million (compared to costs of US\$2.1 million).

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<sup>7</sup> As an extreme example, if Uruguay were to use its total stock of reserves (averaging about US\$2.4 billion in 1998) to retire foreign debt, it would save about US\$49 million, or 0.2 percent of GDP.

<sup>8</sup> This figure is somewhat less than that in Table 58, reflecting recent developments.

Table 57. Uruguay: Indicators of International Reserves Adequacy

(In percent)

	1990	1995	1996	1997	1998
<b>A. Ratio of official reserves to imports of goods and services</b>					
19 emerging market economies (group average)1/	2.9	4.1	4.4	3.9	4.8
Uruguay	4.6	6.1	5.8	5.7	6.9
<b>B. Ratio of official reserves to currency outside banks</b>					
19 emerging market economies (group average)1/	146.4	283.1	314.7	287.0	287.0
Uruguay	179.1	181.9	202.6	237.3	287.4
<b>C. Ratio of official reserves to money plus quasi-money</b>					
19 emerging market economies (group average)1/	42.6	53.2	53.4	57.8	59.7
Uruguay	16.2	19.1	18.5	20.3	24.2
Uruguay (adjusted 2/)	34.0	28.3	28.2	31.3	37.2
<b>D. Ratio of gross official reserves to total debt service</b>					
19 emerging market economies (group average)1/	103.8	173.5	176.3	147.8	139.7
Net debtor countries	116.4	183.3	200.1	204.2	188.0
Developing countries	133.8	190.9	206.8	212.9	196.4
Western Hemisphere	77.6	132.2	136.8	120.9	112.8
Uruguay	39.2	91.2	95.7	148.4	161.3
<b>E. Ratio of gross official reserves to short term external debt</b>					
19 emerging market economies (group average)1/	96.8	107.6	111.8	102.4	91.4
Net debtor countries	113.9	129.0	136.0	138.4	130.1
Developing countries	123.6	134.8	141.3	143.8	134.8
Western Hemisphere	83.5	93.8	98.6	93.1	73.0
Uruguay	n.a.	77.1	82.3	88.6	79.6

Sources: IFS; WEO Database; Central Bank of Uruguay; and Fund staff estimates.

1/ Includes Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Egypt, Guatemala, Malaysia, Mexico, Panama, Paraguay, Peru, Thailand, Trinidad and Tobago, Turkey, Uruguay, and Venezuela.

2/ Ratio estimated with money plus quasi-money excluding nonresidents' deposits.

Table 58. Uruguay: International Reserves and Yield Spread by Emerging Markets

	1997		Q4 1998 -Q1 1999	
	Reserves/month of Imports 1/	Yield Spread	Reserves/month of Imports 1/	Yield Spread
Argentina	8.8	410	9.1	711
Chile	10.6	124	9.4	289
Colombia	7.4	162	5.9	667
Mexico	4.5	247	4.5	574
Panama	6.9	239	3.3	417
Uruguay	5.3	137	6.5	357
China	12.1	92	12.3	292
Philippines	2.3	231	3.4	419

Sources: IFS, April 1999 and Private Market Financing for Emerging Markets, Q1 1999.

1/ Gold valued at SDR 35 per ounce.