



**WESTERN HEMISPHERE
DEPARTMENT**

Boosting Growth through Structural Reforms and Artificial Intelligence (AI)

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International Monetary Fund

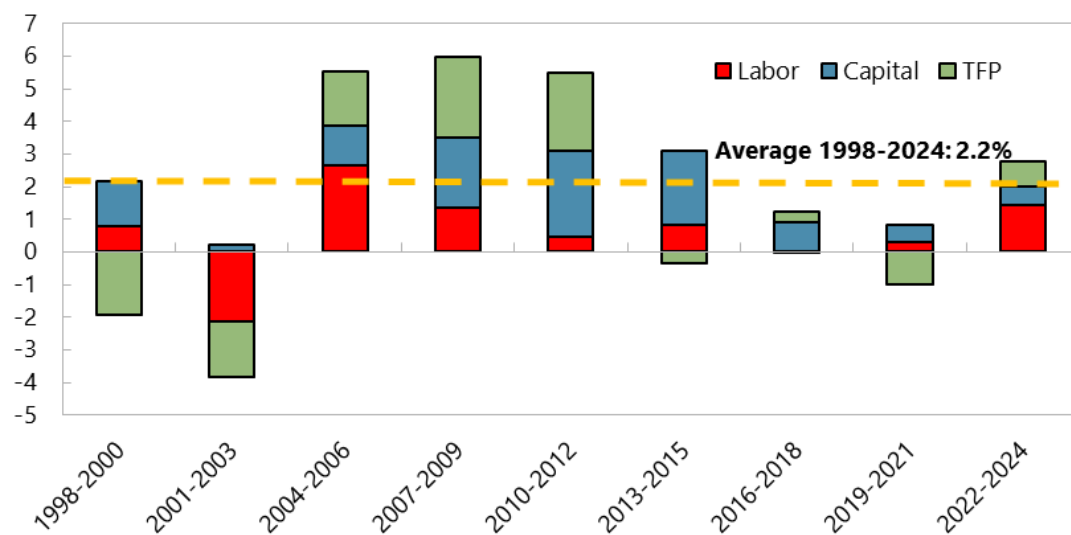
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The presentation is based on the Uruguay 2025 Article IV Selected Issues Paper, *Gen-AI: Artificial Intelligence and the Future of Work* an IMF Staff Discussion Note by Cazzaniga and others (2024), and *The Global Impact of AI: Mind the Gap* an IMF Working Paper by Cerutti and others (2025).

Context

After a period of high growth in Uruguay, convergence with advanced economies stalled....

Uruguay: Growth Decomposition
(Percent, 3 year average)

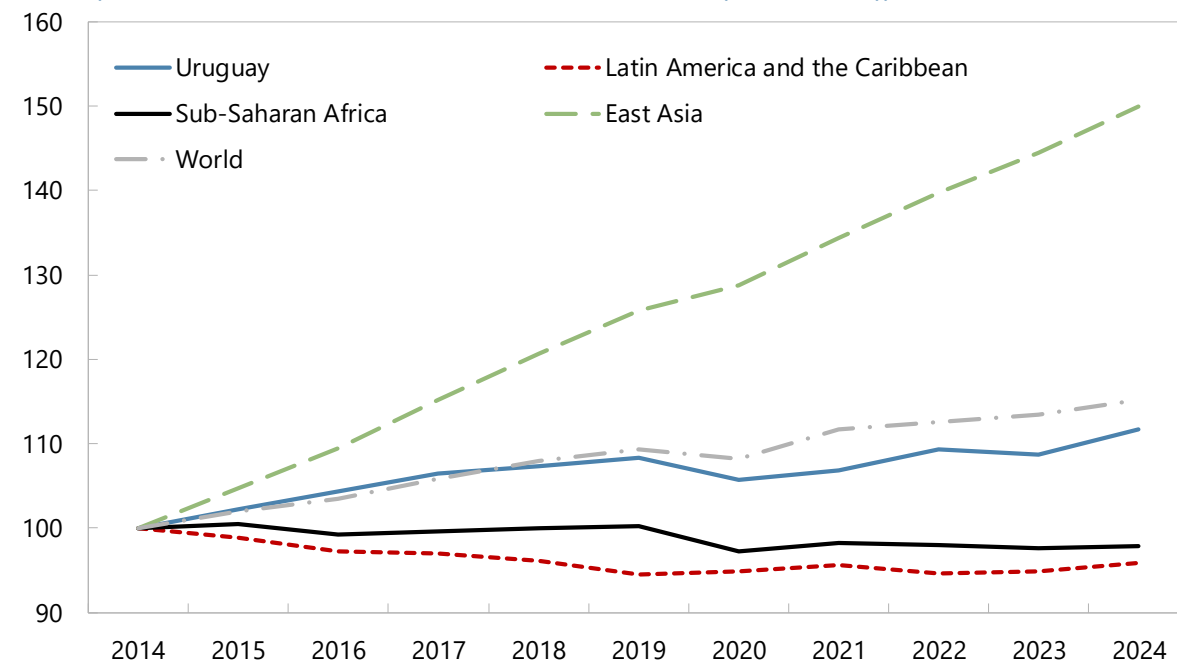


Sources: IMF staff calculations and Penn World Tables

... while labor productivity gains have slowed

Labor Productivity

(GDP constant 2015 US \$ converted to an index (2014 = 100))



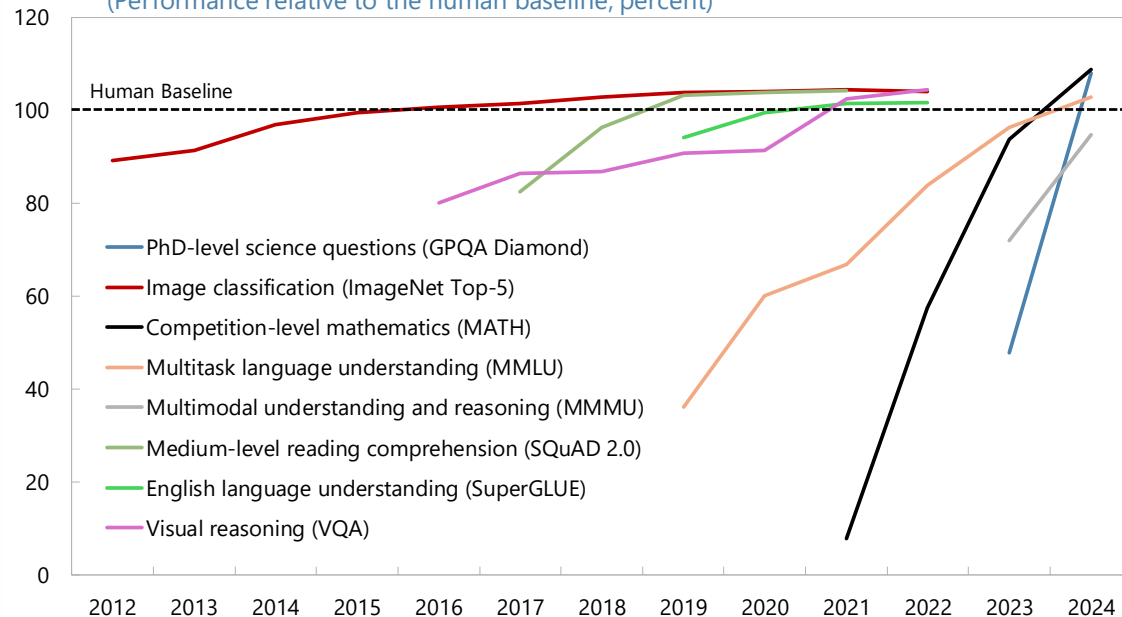
Source: ILO and IMF staff calculations

AI is Improving Fast

AI is a potential source of productivity gains, and already able to outperform humans in a variety of tasks

AI Technical Performance versus Human Performance

(Performance relative to the human baseline, percent)

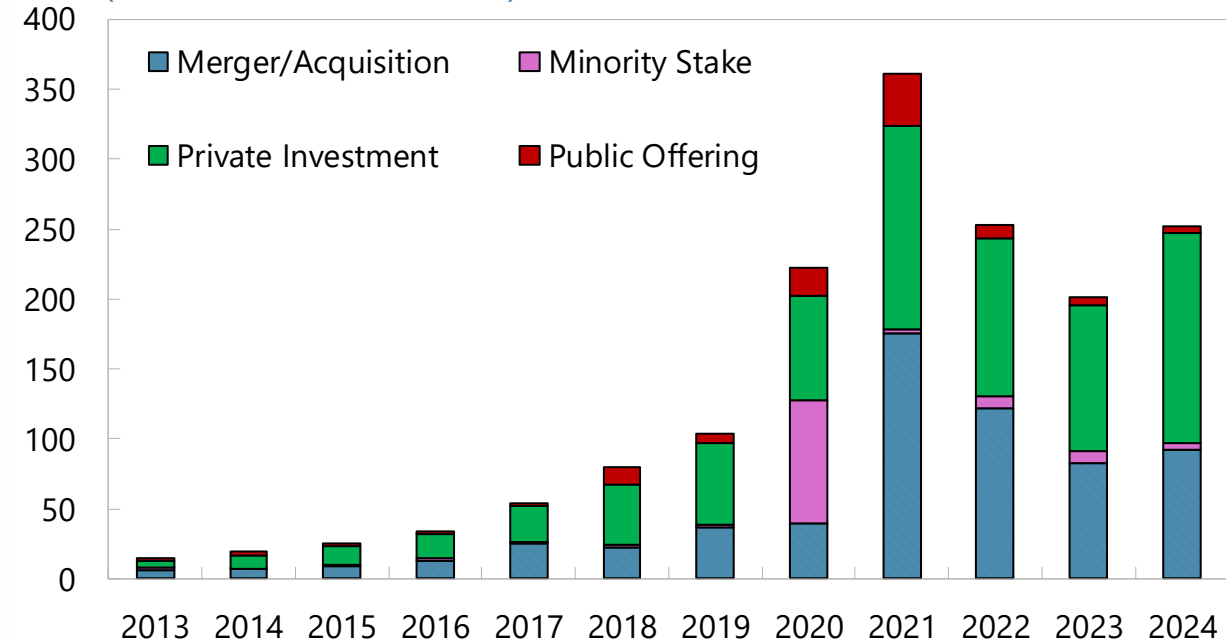


Source: 2025 AI Index Report by Stanford University; and IMF staff calculations

.... and global private investment in AI reached US\$150 billion last year (overall US\$250 billion in 2024)

Global Corporate Investment in AI by Investment Activity

(In billions of U.S. dollars)

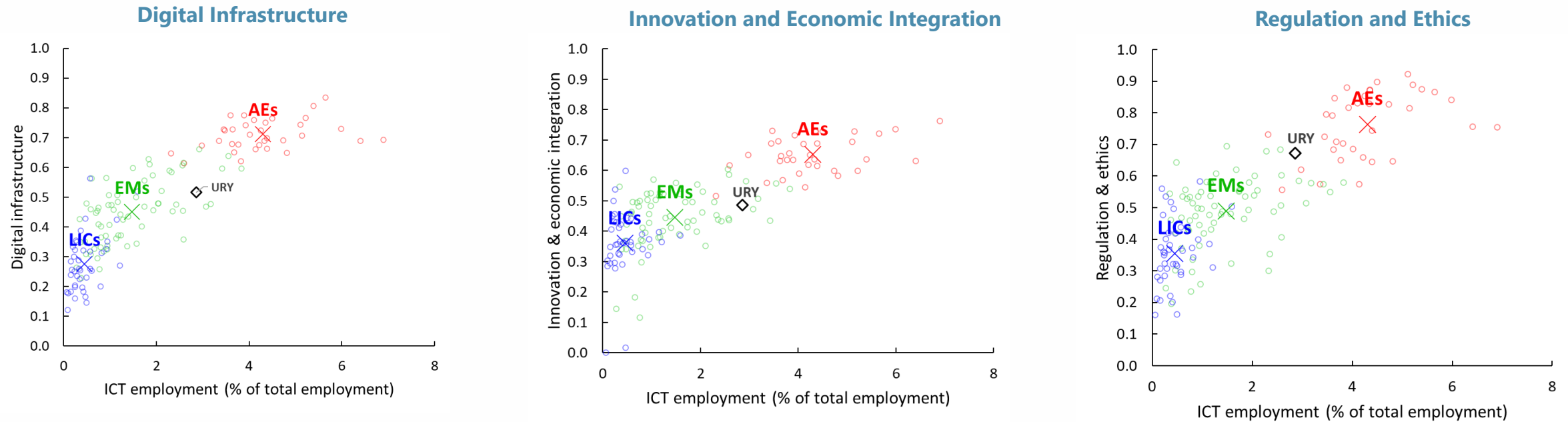


Source: Quid (2024); 2025 AI Index Report by Stanford University; and IMF staff calculations.

Uruguay Ranks Highly in AI Preparedness...

Uruguay ranks highly in AI preparedness amongst Emerging Market economies, especially for regulation and ethics...

Components of the AI Preparedness Index:



Sources: Fraser Institute; International Labour Organization; International Telecommunication Union; United Nations; Universal Postal Union; World Bank; World Economic Forum; Cazzaniga et al. (2024); and IMF staff calculations.

Note: ICT employment refers to people working in the information and communications sector based on ISIC-Rev.4 classification. 142 countries are included: 35 AEs, 67 EMs and 40 LICs. Exes denote the average values for each corresponding country group. Circles represent the average values for each respective country group. Three of the four components of the AI Preparedness Index are shown, Human Capital and Labor Market Policies is omitted. AEs = advanced economies ; EMs = emerging market economies; ICT = information and communication technology; LICs = low-income countries; ISIC = International Standard Industrial Classification.

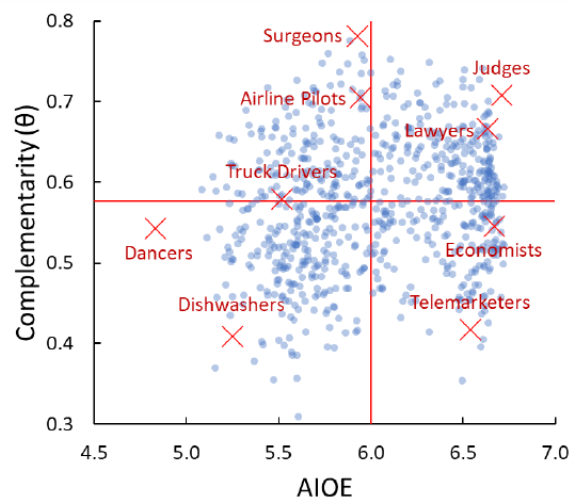
Charts from 2024 IMF Staff Discussion Note: *Gen-AI: Artificial Intelligence and the Future of Work*

Authored by Mauro Cazzaniga, Florence Jaumotte, Longji Li, Giovanni Melina, Augustus J. Panton, Carlo Pizzinelli, Emma Rockall, and Marina M. Tavares

... Yet has Similar AI Exposure as other EMs

Assessment of impact of AI based indices of exposure and complementarity to AI by profession

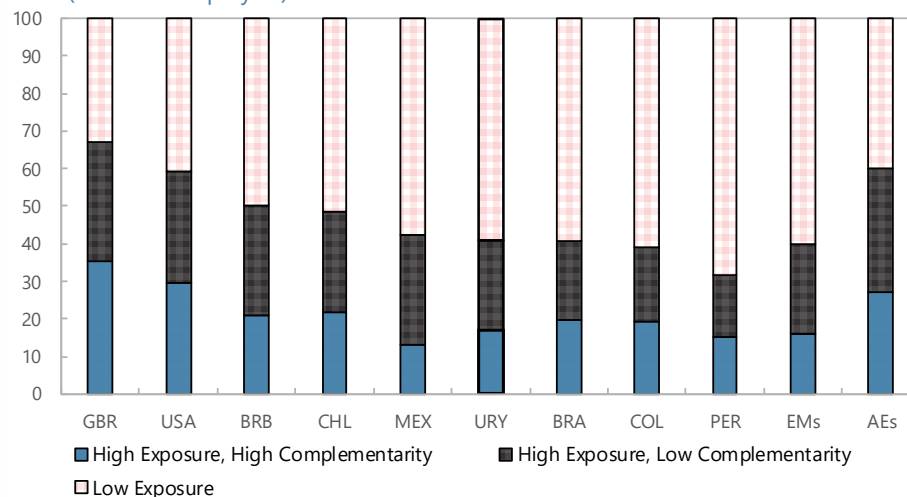
Conceptual Diagram of AI Occupational Exposure (AIOE) and Complementarity (θ)



Sources: Felten, Raj, and Seamans (2021); Pizzinelli and others (2023); and IMF staff calculations.
Note: Red reference lines denote the median of AIOE and complementarity.

Uruguay's workforce shows similar exposure to AI as other EMs....

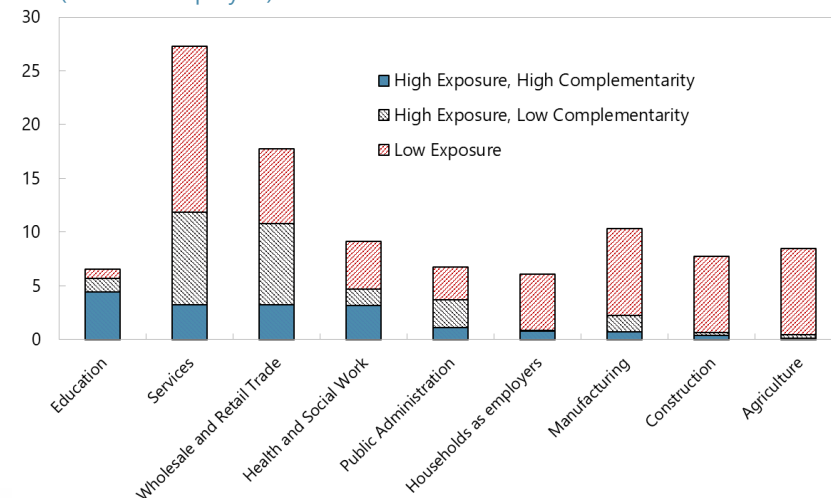
AI Exposure and Complementarity
(Share of Employed)



Sources: Bakker et al. (2024); ECH 2023 (INE); Felten, Raj, and Seamans (2021); Pizzinelli and Others (2023); and IMF staff calculations.

... while AI exposure in Uruguay varies by sector

Uruguay: AI Exposure and Complementarity Across Different Sectors
(Share of employed)



Sources: ECH 2023 (INE); Felten, Raj, and Seamans (2021); Pizzinelli and Others (2023); and IMF staff calculations.

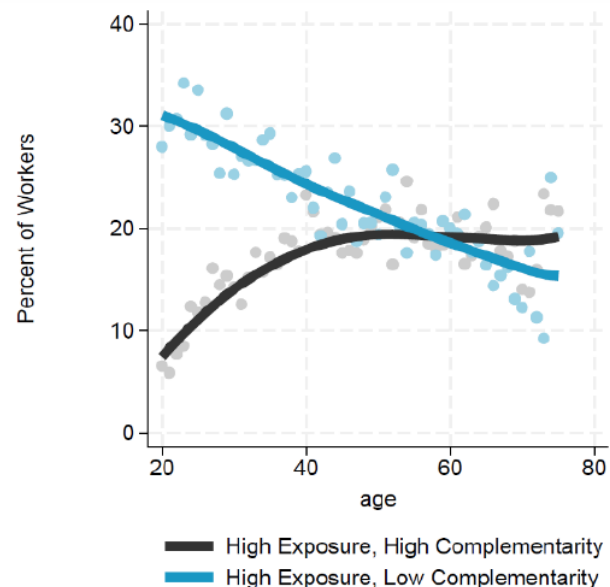
AI Exposure Varies Across Demographics

Uruguay's youngest workers are highly exposed, and a large share have low complementarity to AI...

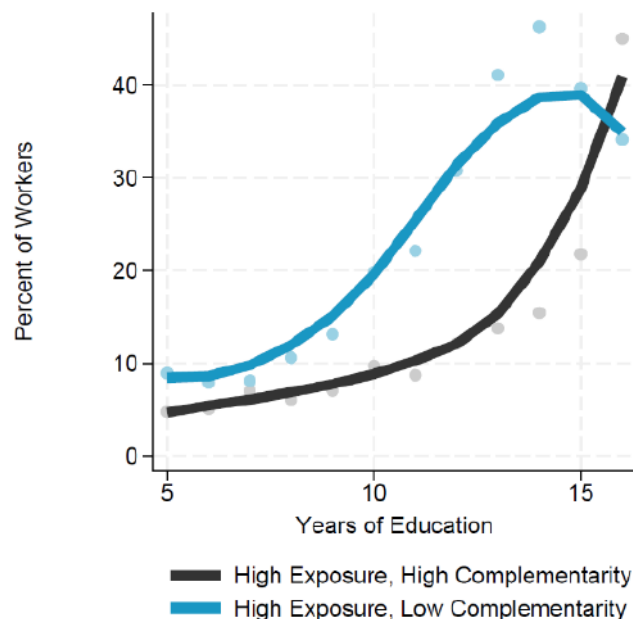
... we find a positive relationship between education and AI exposure ...

... and exposure to AI increasing with income – potential inequality concerns

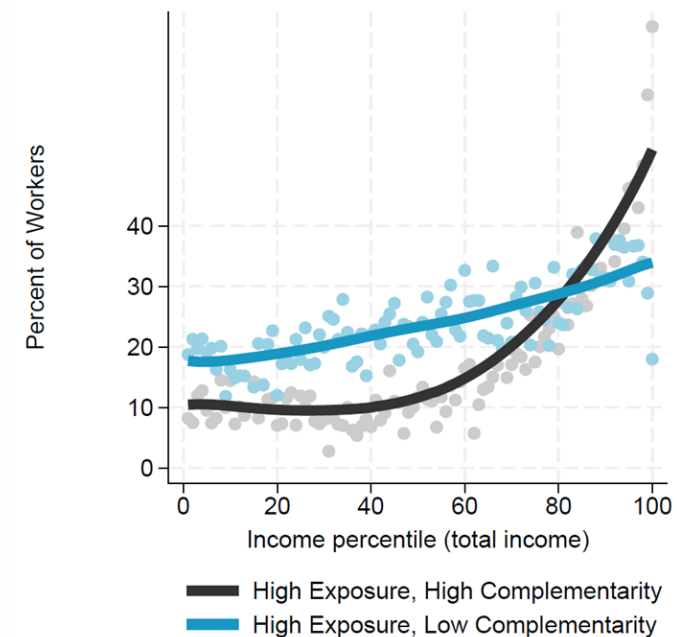
Uruguay: AI Exposure and Complementarity
(by age)



Uruguay: AI Exposure and Complementarity
(by years of education)



Uruguay: AI Exposure and Complementarity
(by income)



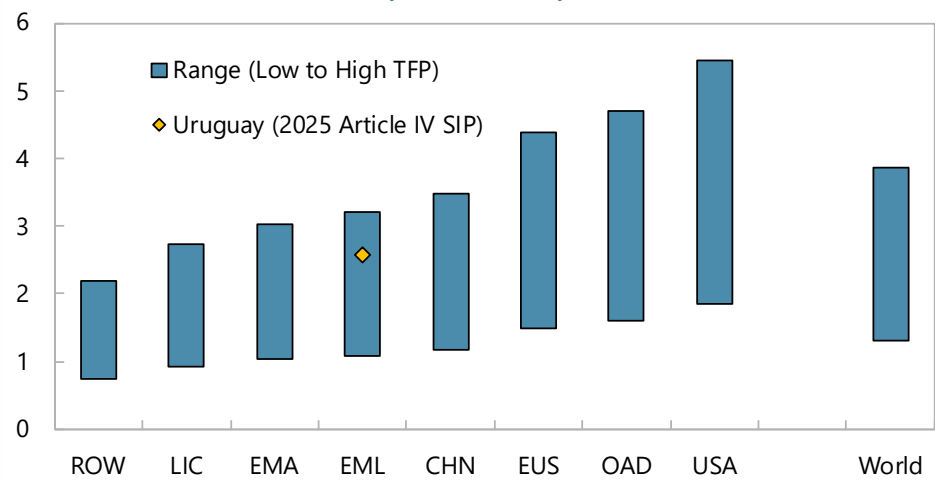
Sources: ECH 2023 (INE); Felten, Raj, and Seamans (2021); Pizzinelli and Others (2023); Guntin (2021); IMF staff calculations; Uruguay 2025 Article IV Selected Issues Paper.

AI Can Boost Economic Growth

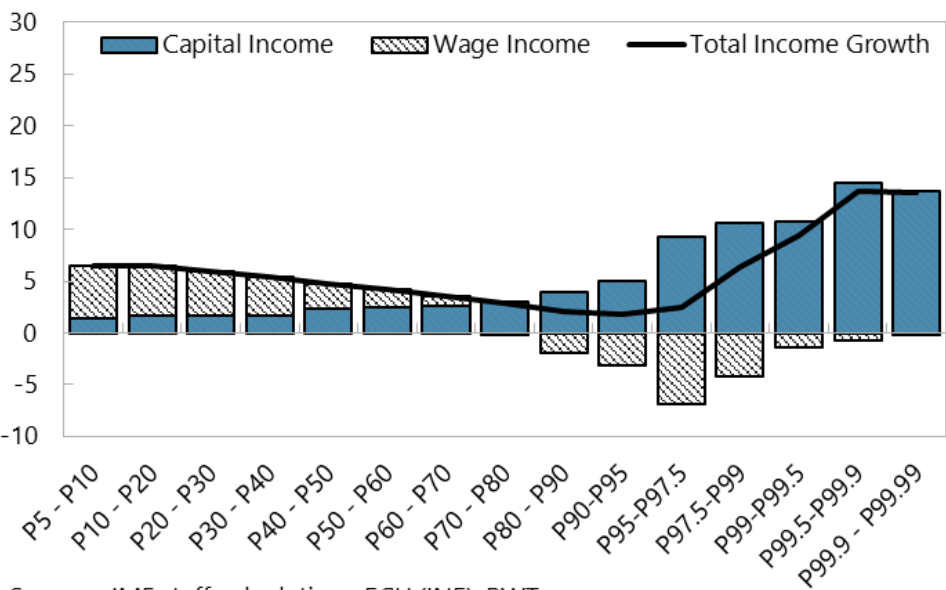
AI has the potential to boost Uruguay's growth ...

... yet the impact on inequality may need to be managed

Estimated Impact on GDP from AI- Cerutti et al. (2025)
(Percent deviation from steady state after 10 years)



Uruguay: Total Income Growth from AI over the Income Distribution
(Percent Change)



Source: Cerutti et al. (2025), Rockall et al. (2024), Encuesta Continua de Hogares (INE), PWT, and IMF staff calculations.

Note: Range shows the impact of AI on real GDP between a low TFP growth and high TFP growth from Cerutti et al. (2025). The result for the World is a global average. The yellow diamond represents the result of Uruguay scaling down the impact expected over 34 years estimated by calibrating the model of Rockall et al. (2024) to Uruguay. For simplicity we scale down the growth impact linearly, which is an approximation used for this visual representation only. EMA = Emerging Market Economies Asia, Central, Asia, Russia, etc. EML = Emerging Market Economies Latin America, Middle East, Africa, etc. EUS = EU and Switzerland, LIC = Low-income countries, OAD = Other advanced economies and ROW = Rest of the World.

Sources: IMF staff calculations, ECH (INE), PWT

Note: Estimated change in income between 2014-2048. This estimate is derived by calibrating the theoretical model in Rockall et al. (2024) to Uruguay data.

Harnessing the Power of AI

