

# MARKET SPOTLIGHT



## URUGUAY

**Factum Scale** → Developing 1...2...3...4...5 Best

Here's our assessment on how Uruguay ranks as a market for global expansion.



### Ease of doing business

5

- Uruguay is a [regional leader in terms of the ease of doing business](#), ranking in the top 5 of LATAM countries, and offers significant advantages to those evaluating business opportunities in South America.
- As part of [Mercosur](#), the "Southern Common Market," Uruguay benefits from free trade zones, free ports, and free airport arrangements with fellow members.
- The country serves as a [regional distributor for Mercosur](#) due to its strategic location between Argentina and Brazil.
- Uruguay is a [high-income per capita country](#) with low levels of inequality and poverty, boasting the largest middle class in Latin America (60% of the population).



### Fluency of English

3

- Uruguay has moderate English proficiency, ranking 49 out of 111 countries, and 8 of 20 LATAM countries, according to Education First English Proficiency Index.
- The main language is Spanish, with Portuguese common near the Brazilian border to the North and Portuñol, a mix of Portuguese and Spanish. Foreign executives should be prepared with Spanish-translated business material and an interpreter, as needed.
- To capitalize on its immersion into the global marketplace, Uruguay has integrated [online English learning platforms](#) in schools connecting English teachers to students from its capital Montevideo, Buenos Aires, Argentina, the Philippines, and the UK.



### Culture & business etiquette

5

- While Uruguayans adopt a [carefree attitude in social engagements](#), business meetings always start on time and are met with formal handshakes. (Do not be surprised if greetings are done with a kiss on the right cheek as Uruguayans may increase physical touch as business relationships grow.)
- Suits and ties are [expected at business meetings](#) along with sharing business cards at the beginning.
- Schedule meetings in advance but be sure to follow up the day before with a phone call, as Uruguayans prefer [modes of communication](#) other than email.



### Tariffs & regulations

3

- Uruguay enjoys an **open economy** with Mercosur countries, however [levies high duties and taxes](#) on imported goods from non-trade agreement countries.
- Products with from the U.S. are subject to a [Common External Tariff](#) set by Mercosur, up to 35%, based on the value of the imported product.
- Uruguay is in negotiations for [free trade agreements](#) (FTA) with China and Turkey, which would add to its FTA's with Mexico and Chile.
- Uruguay, in conjunction with Mercosur, has [extended trade agreements with the Andean Community Nations, European Union, and the Southern African Customs Union](#).



### Labor access & affordability

3

- Uruguay has a [labor force participation rate of 62.6%](#), edging out the global average of 59%.
- With the largest middle class in LATAM, Uruguay is [experiencing an aging population](#) which may cause long-term challenges for the workforce but may present opportunities for migrant workers.
- The minimum wage in Uruguay is [UYU21,106 per month](#) (USD \$541 per month).



### Economic stability

4

- Uruguay is ranked the [27th freest economy](#) out of 177 countries with a score of 70.2 scoring, 2nd behind Chile across LATAM.
- Its income distribution is one of the **most evenly distributed** in the region, according to the [World Bank's Gini Index Report](#).
- Covid-19 caused Uruguay's [first recession](#) in the past two decades, impacting unemployment rates and poverty levels, but has since rebounded with a GDP growth rate of 4.4% (as of 2021).
- There are strong institutions in Uruguay with low corruption, high trust in the government, a strong rule of law, and a [thriving consensus-based political approach](#), making it an attractive destination for FDI.

For more details about expanding to this country or business intelligence regarding another region of the world, schedule a free consultation at: [factumglobal.com/free-consultation](https://factumglobal.com/free-consultation)