



Uruguay XXI

INVESTMENT, EXPORT AND COUNTRY
BRAND PROMOTION AGENCY

ANNUAL REPORT

FOREIGN TRADE 2022

RECORD YEAR

FOR URUGUAYAN EXPORTS



EXECUTIVE SUMMARY

- Uruguayan exports of goods **grew by 16.5% in 2022**, reaching **USD 13,356 million** and once again surpassing an all-time high. In 2022, there were two clearly distinct periods in terms of goods exports: between January and August there were year-on-year increases in all months, and in the last four months of the year there were drops in export requests.



* Variation with respect to the same period of the previous year, including exports from free trade zones.
 ** Including electricity data.

- China** was once again Uruguay's main trading partner in 2022, accounting for 28% of all goods exports, with USD 3,675 million exported. In 2022, the **European Union** replaced Brazil and ranked second, accounting for 15% of the total (with USD 1,950 million in exports). **Brazil** was the third largest export destination with USD 1,873 million in sales (14% of total exports). **Argentina** was the fourth largest export destination. With a 9% share, sales to the neighboring country totaled USD 1,250 million, more than double the figure recorded in 2021. Exports of goods to the **United States**, the fifth largest export destination, totaled USD 784 million in 2022.

- **Beef** was the main product exported in 2022 worth **USD 2,557 million**, accounting for almost 20% of total exports. It was followed by **soybean** exports (USD 1,922 million), which more than doubled the values exported in 2021 (USD 892 million). **Cellulose** ranked third among products, with exports totaling USD 1,818 million in 2022, accounting for almost 13% of total exports.

BEEF EXPORTS



Beef
USD 2,557 million

↑ **5%**

* Variation with respect to the same period of the previous year, including exports from free trade zones.

SOYBEAN EXPORTS



Soybeans
USD 1,922 million

Exports hit a record in 2022, with more than double the amount exported in 2021 (USD 892 million).

↑ **116%**

* Variation with respect to the same period of the previous year, including exports from free trade zones.

- In a more adverse international context, with commodity prices below the 2022 average and a regional situation of economic slowdown, **it is estimated that in 2023 Uruguayan exports of goods will total almost USD 13,000 million, which would imply a slight reduction of 2% in exported values.**
- The year 2022 was a busy one for Uruguay's external insertion agenda. In April, Uruguay and Turkey agreed on the terms of reference for the start of an exploratory dialogue on FTA negotiations. In July, the joint feasibility study to advance FTA negotiations with China was concluded. In December, Uruguay applied to join the CPTPP bloc. Within Mercosur, in July, the members agreed on a reduction of the common external tariff (CET) for almost 6900 NCM codes. Negotiations between Singapore and Mercosur were also concluded. Finally, bilaterally with Brazil, a new trade agreement for products produced in free trade zones was signed in June 2022.

A DETERIORATING EXTERNAL CONTEXT

GLOBAL TRADE

The year **2022** ended with a **generalized slowdown in world economic activity and international trade**. The global outlook deteriorated with successive downward revisions of growth forecasts for both economic activity and world trade¹.

In this context, **global GDP would close 2022 with growth, which according to the most optimistic forecasts would be around 3.2%**. **These projections differ from those made before the war when a growth of 4.4% was projected.**

Chart No. 1 - **Global Economic Growth Outlook (January 2022 vs. December 2022)**



Source: Prepared by Uruguay XXI with official data from different international organizations.

The World Trade Organization (WTO) forecast shows **global merchandise trade volumes growing 3.5%** in 2022. However, an increase of

1% is expected for 2023, a drop from the 3.4% forecast in its previous report, and less than half of the average trade growth between 2015 and 2019 (2.4% per year).

The main **factors that impacted** the downturn in economic activity and trade are:

- » The **persistence of the effects of the COVID-19 pandemic**. The long confinements due to the “zero-COVID” policy in China meant a GDP slowdown for the world’s second largest economy, which between 2010-2019 had an annual average growth of 7.7%, while in 2022 it is expected to grow only 2.7%.
- » **Russia’s invasion of Ukraine** brought about worse than expected consequences for the major European economies. The sharp rise in energy prices, loss of consumer confidence and weaker manufacturing dynamism due to persistent supply chain problems eroded the growth prospects of the European economy. Far from being a temporary shock, the geopolitical reordering of energy supply sources has a broad and permanent character and is expected to continue to have consequences on economic growth, mainly in the short term, in Europe.
- » In line with the previous item, Russia’s invasion of Ukraine accentuated the inflationary trends that had already become apparent in 2021. In this regard, **upward price pressures are becoming more extensive and persistent than anticipated**. Global inflation would reach 9.5% in

¹ [Risk of Global Recession in 2023 Rises Amid Simultaneous Rate Hikes - World Bank](#)

2022 (up from 4.7% in 2021). Rising prices, especially for food and energy, supply constraints in many sectors and the rebalancing of demand towards services have contributed to the rise in inflation in most of the world's economies.

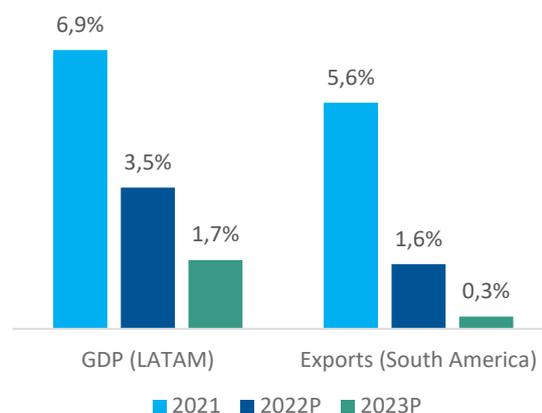
In short, the **combination of economic slowdown and persistent inflationary pressures** further complicates the policy choices to address macroeconomic imbalances.

REGIONAL TRADE

Unlike the global economy, economic activity in Latin America in 2022 showed stronger-than-expected growth, with a growth rate of 3.5% in 2022, half a percentage point higher than projected at mid-year. This was due to a buoyant first half of the year, coupled with strong commodity prices and good external financing conditions.

However, growth in the region slowed during the second half of 2022 and is expected to slow further in 2023 as growth in Mercosur partners weakens, financial conditions tighten, and commodity prices soften. For South America, the WTO projects a 1.6% expansion in export volume, two percentage points below the world average².

Chart No. 2 - **GDP and Volume of Goods Exports**
Year-on-Year % Var.



Source: Uruguay XXI with data from World Economic Outlook (WEO) - IMF and WTO.

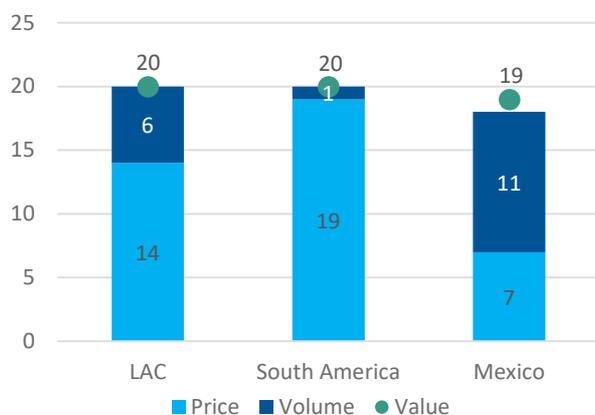
According to ECLAC, South American exports were 20% higher than in 2021, which meant a deceleration with respect to the previous year's growth³. The increase in international prices played a decisive role in the evolution of the value of South America's exports. Most of this variation—19 percentage points—was due to the increase in export prices, while the volume of exports grew at a more modest rate, in line with the lower economic dynamism of the region's main trading partners⁴.

² [October 2022 Press Release – WTO](#)

³ [Preliminary Overview of the Economies of Latin America and the Caribbean 2022 – ECLAC](#)

⁴ [Preliminary Overview of Latin American economies - CEPAL 2022](#)

Chart No. 3 - Exports of Goods by Region
(Year-on-Year % Variation)



Source: Preliminary Overview of the Economies of Latin America and the Caribbean 2022 – ECLAC.

The increase in international prices played a decisive role in the evolution of the value of Latin America's exports. ECLAC and the IDB agree that prices contributed around 70% of the year-on-year increase in the value of the region's exports⁵.

South America had the highest price impact on export value (19%) in 2022, as it benefited especially from higher hydrocarbon and food prices, particularly in hydrocarbon exporting countries: Bolivia, Colombia, Ecuador, and Venezuela. Meanwhile, countries such as Argentina and Uruguay benefited from better food and agricultural commodity prices.

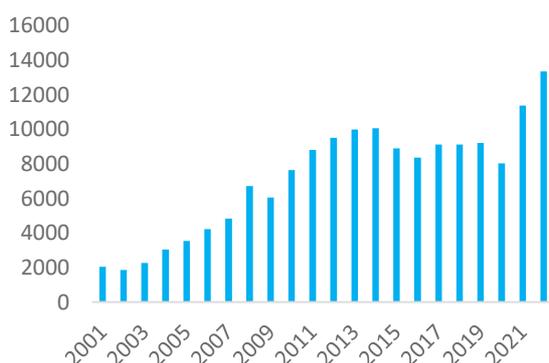
The downside of the good dynamics in export prices for South America was the slowdown in export volumes. While in 2021 exported amounts rose 3.5% in Brazil and 6.3% in the rest of South America, in the first half of 2022, real flows exported by Brazil increased 1.0% and in the rest of South America 2.7%.

⁵ [According to the Trade and Integration Monitor 2022 – IDB](#)

URUGUAYAN EXPORTS OF GOODS HIT RECORD HIGH IN 2022

Uruguayan exports of goods including free trade zones reached a historic record in 2022, having surpassed 2021 peak levels. **Foreign sales totaled USD 13,356 million in 2022, representing a growth of 16.5% compared to the 2021 record.** Figures are at a record high since Uruguay XXI has kept data on Uruguayan exports⁶.

Chart No. 4 - Uruguayan Exports of Goods Including Free Trade Zones (Million USD)

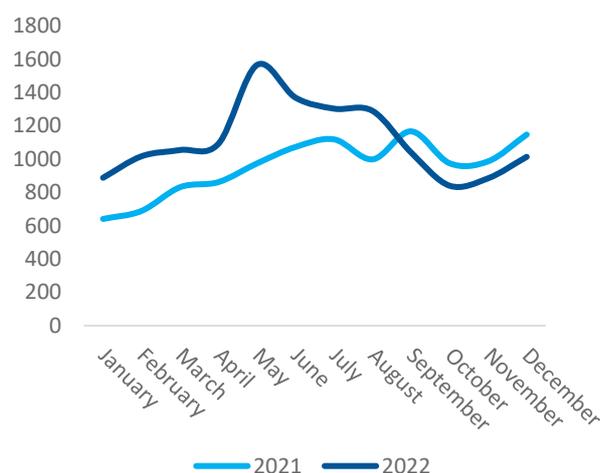


Sources: Uruguay XXI based on data from the National Customs Authority (DNA) and Montes del Plata.

In December 2022, export requests with free trade zones stood at USD 1,014 million, showing a 12% drop compared to the same month of 2021. Thus, the year 2022 closed with a year-on-year growth of 16.5%. Therefore, two periods can be identified. One between January and August 2022, characterized by year-on-year increases in every month, and another, comprising the last four-

month period of the year where year-on-year drops in export requests were recorded.

Chart No. 5 - Uruguayan Exports of Goods Including Free Trade Zones Monthly Data (Million USD)

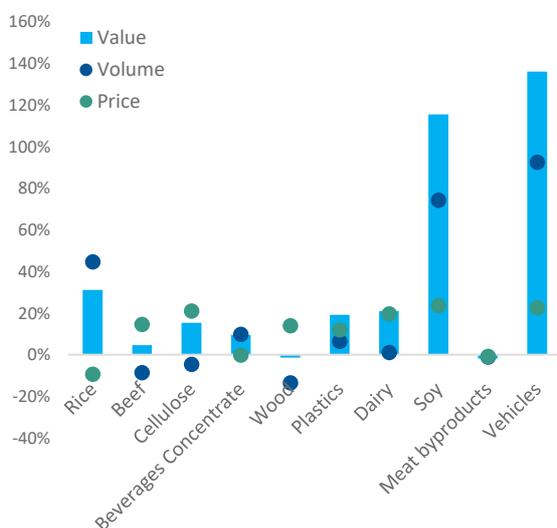


Sources: Uruguay XXI based on data from the National Customs Authority (DNA) and Montes del Plata.

Chart No. 6 shows the annual variations in the value of exports in 2022, broken down by export volume and price. Thanks to higher prices, export values grew in almost all cases. Soybeans were the product with the greatest boost in the variation of goods exports. Sales of this product showed a strong increase in value, which is explained both by better prices and higher volumes exported. Beef and cellulose showed increases in value, but not in volume.

⁶ Data include electricity exports. Data for exports including free trade zones show adjustments in this item with respect to those reported by the Customs Authority.

Chart No. 6 - **Main Exported Products**
 Year-on-Year % Var. in Value, Volume & Price



Source: Uruguay XXI based on data from the National Customs Authority (DNA) and Montes del Plata.

MAIN EXPORT PRODUCTS

The ranking of exported products is led by beef, which accounted for 19% of total exports. Soybeans, with a 14% share, rank second. Cellulose ranks third with a 14% share. It is followed by dairy products (7%), beverage concentrate (5%), wood (4%), rice (4%), meat by-products (3%) and vehicles (3%).

Table No. 1
Uruguayan Exports of Goods

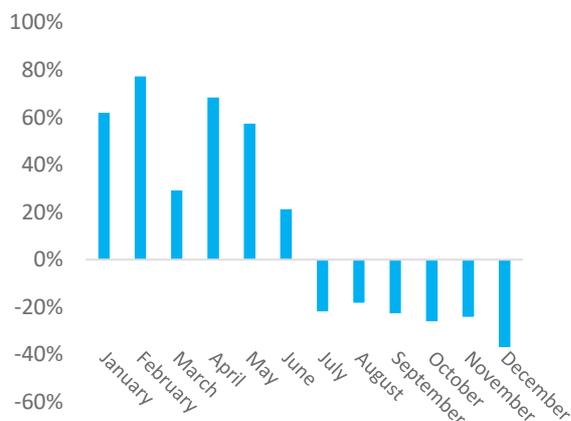
Product	2021 Mill. USD	2022 Mill. USD	% Var.
Beef	2,444	2,557	5%
Soybeans	892	1,922	116%
Cellulose	1,576	1,818	15%
Dairy products	735	889	21%
Beverages concentrate	619	678	10%
Wood	569	560	-1%
Rice	382	501	31%
Meat by-products	469	460	-2%
Vehicles	167	394	136%
Plastics	265	315	19%

Source: Uruguay XXI based on data from the National Customs Authority (DNA) and Montes del Plata. The incidence of each product in cumulative exports is available in the Annex.

Beef was the main exported product in terms of value in 2022. Its exports amounted to USD 2,557 million, 5% above the amount recorded in 2021. This also constitutes a record for beef exports. While export volumes decreased 9%, prices increased 15%, offsetting the drop.

During the first six months of 2022, beef exports recorded increases compared to 2021 values. In the second half of the year the dynamics reversed as shown in Chart No. 7.

Chart No. 7 - **Uruguayan Beef Exports**
Year-on-year Variation (%) 2022



Source: Uruguay XXI based on data from the National Customs Authority (DNA) and Montes del Plata.

China continues to be the main destination for Uruguayan beef exports. Its share in the total amounted to 58% in 2022 (USD 1,475 million). It is followed by the European Union and the United States with shares of 12% and 14%, respectively.

If we analyze by product, **frozen boneless meat**, whose share in total exports was 72%, recorded an increase of 5% with respect to 2021. **Chilled boneless meat**, with a share in the total of 17%, recorded an increase of 9% compared to 2021. Sales of frozen bone-in meat, which accounted for 11% of total exports in 2022, fell by 5% compared to 2021.

In 2022, **soybean** exports totaled USD 1,922 million, more than double what was exported in 2021 and a record since Uruguay XXI has had access to information. It was the product with the highest incidence (9 percentage points). Both the

increase in international prices and in exported volumes were decisive factors in this result.

The price of soybeans in Chicago showed a significant increase in the first quarter of 2022 because of Russia's invasion of Ukraine. During the second quarter it reached its highest peaks. The upward trend slowed down in December⁷.

In terms of volume, the opening of the new sales line to Argentina was a decisive factor in the increase in exports. Uruguay covered the lack of Paraguayan production which usually supplies the milling plants in Argentina, which process the oilseed for oil exports⁸.

Cellulose came in third place in the ranking of products. Exports of this product totaled USD 1,818 million in 2022. Compared to 2021, there was an increase of 14%. The European Union, with a 54% share of the total, was the main destination for exports of this product. It was followed by China, with a 25% share.

In 2022, **dairy product** exports grew 21% compared to their 2021 value. A total of USD 889 million was sold, of which 28% was purchased by Brazil, 23% by Algeria, 11% by China and 4% by the Russian Federation. Brazil, which bought items for USD 249 million, came in first place in the ranking of destinations. Algeria, which had been the main destination in 2020 and 2021, purchased dairy products for USD 209 million. Both countries increased their purchases compared to 2021, 72% and 16%, respectively. China and the Russian Federation both reduced their purchases by 43%

⁷ [El precio del trigo volvió a caer y la soja frenó su aumento - Ámbito](#)

⁸ [Se abrió un nuevo mercado para la soja uruguaya y hay demoras en Nueva Palmira - El Observador](#)

and 24%, respectively. Of total dairy exports in 2022, whole milk accounted for 62%, cheese in all its varieties 13%, milk powder 11% and butter 10%.

Beverage concentrate exports reached USD 678 million in 2022, 10% higher than in the previous year. Exports of this product were mainly destined for Latin American countries. The main export destination, Mexico, bought beverage concentrate for USD 159 million, the same amount as the previous year. It was followed by Guatemala, Honduras, El Salvador, and Brazil, with shares of 15%, 10%, 7% and 7% of total exports, respectively.

Wood sales totaled USD 560 million in 2022, 1% below the previous year's figure. The drop is due both to the fall in exported volumes and to falling prices.

Regarding destinations, purchases from the European Union increased by 122% (mainly with Portugal as a gateway to the bloc) and China's purchases decreased by 51%. Until the previous year, the Asian giant had been the main buyer of Uruguayan wood. In 2022, the European bloc ranked first and the United States, which purchased wood for a total of USD 106 million, was second in the ranking of export destinations. India and Mexico—whose shares of total exports were 15% and 5%, respectively—registered increases in purchases of 28% and 20%, respectively.

Rice exports totaled USD 501 million in 2022, 31% above the amount recorded in 2021. Mexico was the main destination for this product. It purchased

20% of total rice exports, surpassing Brazil (18%), which had ranked first in 2021. Other relevant destinations were Venezuela, Costa Rica, Peru, and Cuba, with shares on the total of 11%, 7%, 6% and 5%.

Exports of **meat by-products** fell by 2% with respect to the amount exported the previous year and closed the year with a total of USD 460 million. The variation was mainly explained by the 10% reduction in purchases from China, which accounted for 44% of the total in 2022. The United States, with a share of 24% of the total, was the second most important market.

MAIN EXPORT DESTINATIONS

China continued to be the top export destination, even though sales to this country grew at a slower rate than in 2021. Exports to China increased 12% in 2022 and reached USD 3,675 million, accounting for 28% of total exports. The increase is explained by higher soybean sales, which accounted for 30% of total exports to China. Beef exports, which accounted for 40% of total exports, fell 1% with respect to the previous year's figure. Other products whose sales fell were meat by-products, wood, dairy products, live cattle, sheep and goat meat and wool.

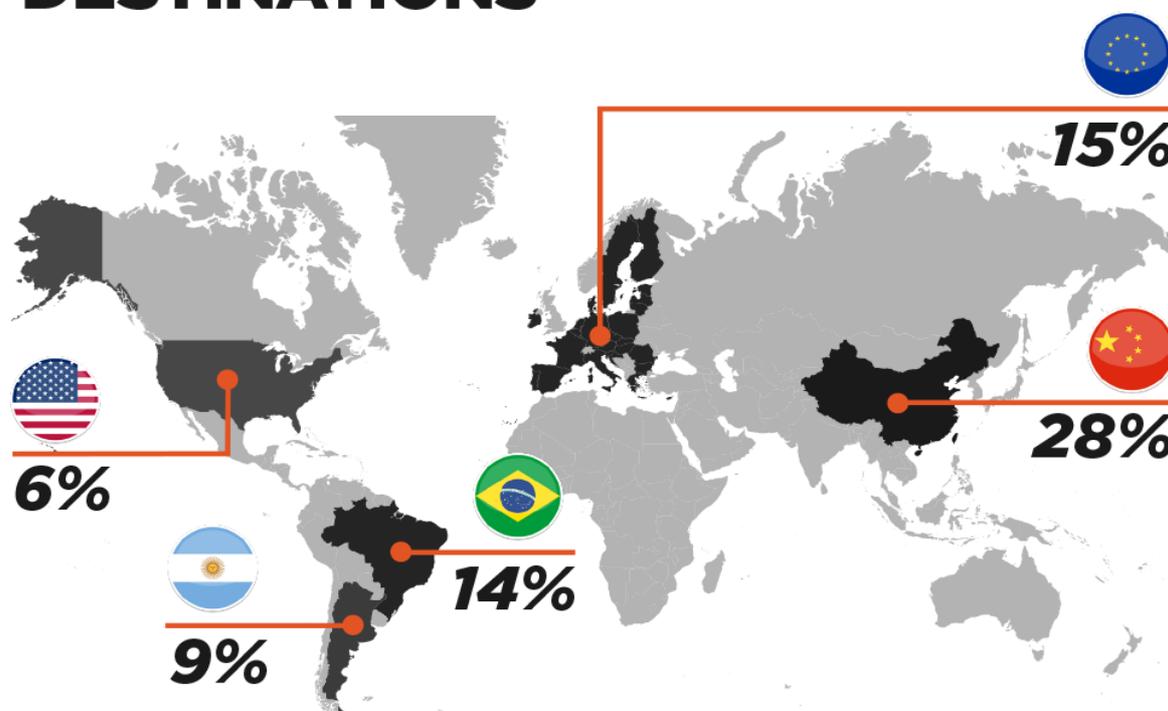
The **European Union** was the second largest destination for Uruguayan exports. Sales to the bloc grew 22% and reached USD 1,950 million. Exports of cellulose, the main product sold in this market, accounted for 51% of the total and grew 19% compared to 2021. Increases were also noted in sales of beef and wood—with Portugal as the

gateway for the latter product—which accounted for 18% and 8% of the total, respectively.

Brazil was the third largest export destination. Sales to this country amounted to USD 1,873 million, 3% above their 2021 figure. In terms of composition, the increase in both absolute terms and in the share of vehicle exports⁹, which rose from USD 148 million to USD 290 million, as well as the drop in sales of electricity (91%) were noteworthy. Other products exported to the Brazilian market were plastics, dairy products, and malt, all three with a share in the total of 13% each.

The fourth destination for Uruguayan exports was **Argentina**. With a 9% share, sales to the neighboring country totaled USD 1,250 million, more than double the figure recorded in 2021. The main products sold in the Argentine market were soybeans and electricity, with shares of 42% and 11%, respectively. As for soybeans, while in 2021 USD 3 million were exported, in 2022 the amount of soybean shipments amounted to USD 528 million. Electricity recorded a 36% increase with respect to 2021, exporting USD 133 million in 2022. Other products exported to Argentina were vehicles and auto parts. These products accounted for 14% of the total. In addition, vehicle sales quadrupled compared to 2021.

MAIN DESTINATIONS



* Share in total exports. Exports to and from free trade zones are not included.

⁹ [Nordex's new truck, 1000 new jobs and USD 500 million in exports - El Observador](#)

Exports to the **United States**, the fifth largest export destination, totaled USD 784 million in 2022. Sales to this market increased by 36% and this destination's share of the total was 6%. Sales of beef and meat by-products—which accounted for 40% and 14% of total exports to the United States—increased by 29% and 58% compared to 2021, respectively. Exports of cellulose to this destination multiplied compared to the previous year: from USD 18 million to USD 73 million.

Sales to **Mexico** totaled USD 364 million, an increase of 20% compared to 2021. Mexico is now the sixth largest export destination. The main product sold to Mexico was beverage concentrate (44%), which showed practically no variation compared to 2021. It was followed by rice (28%), whose sales tripled, wood (8%) and dairy products (7%).

Algeria, with a total of USD 305 million, was the seventh largest export destination. Sales to this country grew by 34% year-on-year and consisted almost entirely of two products: dairy products (68%) and wheat (31%). Both saw increases compared to 2021: dairy exports rose 16%, while wheat exports increased 89% year-on-year.

Other export destinations in 2022 were **Chile, Egypt, United Kingdom, and Germany**. **Chile** bought Uruguayan products for USD 217 million, including beef, beverage concentrate, dairy products, pharmaceuticals, and plastics. **Egypt**, which bought Uruguayan products worth USD 207 million, purchased mainly soybeans, dairy products, and live cattle. Exports to the **United Kingdom** totaled USD 206 million. The main

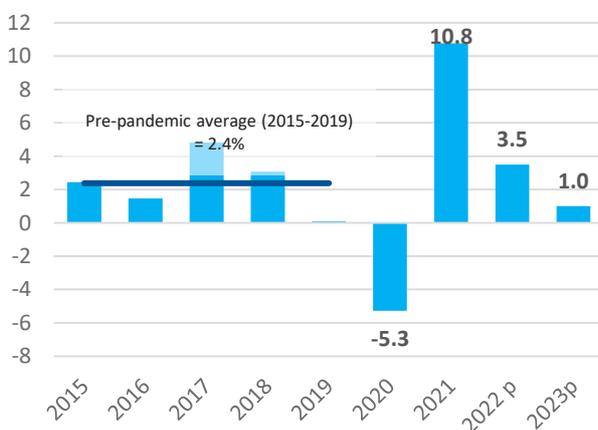
products exported to this destination were rapeseed, foodstuffs, beef, and rice. **Germany** bought Uruguayan products for USD 170 million, mainly cellulose, beef and wool.

EXPORT OUTLOOK 2023

In 2022, Uruguay’s exports of goods were exceptional, reaching record levels in terms of production and average prices above the figures of recent years.

However, from the second half of 2022 onwards, external conditions deteriorated rapidly, with a negative impact on the prices of the main goods exported by Uruguay. In this sense, an even greater slowdown is expected in 2023 as growth in major trading partners weakens, financial conditions tighten, and commodity prices fall.

Chart No. 8 - Global Trade in Goods
Year-on-Year % Var.



Source: Uruguay XXI with WTO data.

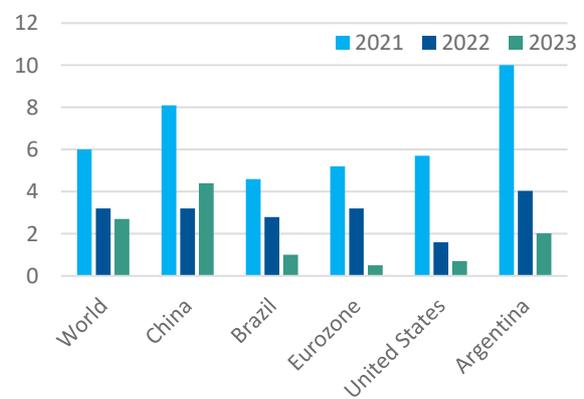
In its latest international trade outlook report, the WTO forecasts global trade volume growth of 1% in 2023. This rate is the lowest since the drop due to COVID in 2020 and lower than the average for the years prior to the pandemic.

Regarding Latin America’s main trading partners, the United States is expected to grow by 1.6% in 2022, more than two percentage points below the pre-war forecast. An **even sharper slowdown is forecast** for 2023, with only 0.7% growth.

In the case of the euro area, growth of 3.2% is expected for 2022, with a more marked **economic slowdown** in 2023, as the war-induced energy crisis will continue to wreak havoc and reduce **growth to 0.5%**.

Finally, **China is expected to grow at 3.2%**—the lowest rate in more than four decades—and a slightly higher growth rate than this year (4.4%) is projected for 2023.

Chart No. 9 - GDP by Region
Year-on-Year % Var.



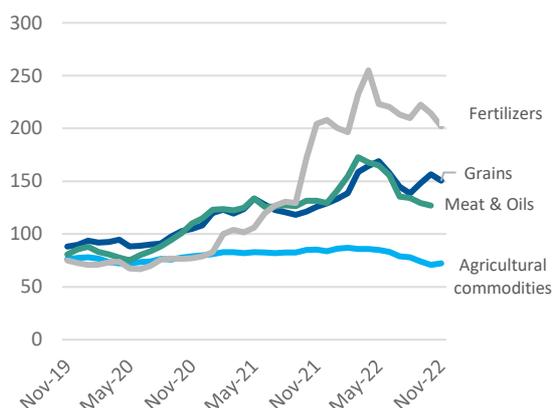
Source: Uruguay XXI with WEO and IMF data.

At the end of 2022, the prices of food exported by Uruguay were 13% above the average values of 2021. Within these, the price of grains stood out with figures 22% higher than the 2021 average, while meats and oils, which in March 2022 had increased by 36%, fell sharply in the second half of

the year, closing at values very similar to the 2021 average.

Thus, after the peak reached at the beginning of the war, prices slowed down. Although they are at historically high levels and are likely to remain high for the duration of the conflict, as of the end of 2022, the general food index was 13.5% below the peak of May 2022. The downward trend is explained by monetary tightening in advanced economies, the appreciation of the dollar and the slowdown in external demand.

Chart No. 10 - **International Price Year-on-Year % Variation**



Source: Uruguay XXI with World Bank data.

After a 2022 in which Uruguay's goods exports expanded, a lower dynamism is expected for 2023.

In an international context that will continue to be adverse, with commodity prices below the 2022 average and a regional situation of economic slowdown, **a slight reduction of 2% in goods exports is estimated for 2023.**

The Agricultural Planning and Policy Office (OPYPA) of the Ministry of Livestock, Agriculture and Fisheries (MGAP) forecasts a 3% drop in agro-industrial exports¹⁰. This reduction would occur despite the strong increase in cellulose exports following the opening of UPM's second pulp mill, which is expected to start exporting in March 2023.

After a very favorable 2022 for the main export crops, both yields and average export prices are expected to be lower in the coming year. Soybean exports reached all-time highs in dollar terms, although they are expected to fall significantly.

Beef is another relevant product that could have a negative impact on the variation of external sales in 2023. Although 2022 was another record year in terms of exports, from the second half of 2022 onwards, slaughter figures and prices began to fall. It is expected that, although international prices may recover, export figures will fall in 2023.

With exceptions such as wood and cellulose, most agricultural products are expected to show a decrease in export amounts. This is due to a combination of less excessive international prices than in 2022 and a less favorable climate situation in the country.

For the rest of the sectors, a moderate decline in exports measured in dollars is also expected given the less favorable international and regional environment.

¹⁰ [OPYPA Yearbooks - MGAP](#)

Table No. 2
Exports of Uruguayan Goods
 Outlook for 2023

Product	2023 (projected)	
	Million USD	% Var.
Beef	2,352	-7%
Cellulose	2,606	50%
Soybeans	1,174	-39%
Dairy products	763	-13%
Wood and wood products	560	2%
Rice	486	-2%
Malt	264	-10%
Meat by-products	442	-3%
Other agricultural products	1,406	-3%
Beverages concentrate	699	3%
Pharmaceuticals	315	5%
Other	1,743	-2%
Sub-Total (excluding electricity)	12,810	-2.0%
Electricity	174	0%
Total	12,985	-2.0%

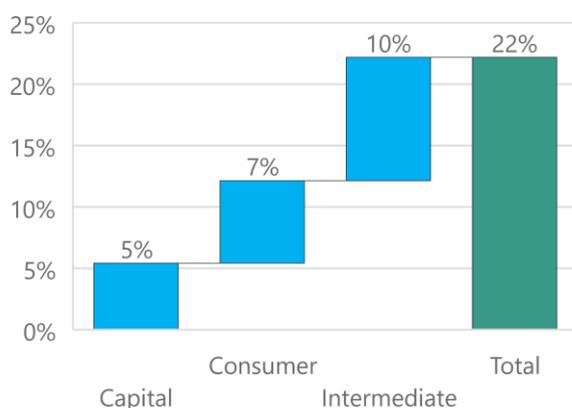
Source: Uruguay XXI based on MGAP and own estimates.

IMPORTS

Imports of goods in 2022, excluding oil and derivatives, reached USD 10,941 million, which implies a 22% increase in the year-on-year comparison.

The increase in exports and the economic growth achieved this year together boosted Uruguay's foreign purchases. This figure exceeded pre-pandemic imports by 52%, as USD 7,211 were imported in 2019.

Chart No. 11 - **Incidence by Type of Goods in Imports**
Year-on-year % Var.



Source: Uruguay XXI with DNA data.

Among the major economic import categories, growth was widespread. The main contribution to this growth was from intermediate goods, with 45% of the total increase in this category. This was followed by capital and consumer goods, which accounted for 30% and 25% of the increase, respectively.

Intermediate products are destined to produce final products and make up 46% of total imports. In 2022, they grew 22% year-on-year. Imports of chemicals for agricultural activities and auto parts stand out in this classification.

Consumer goods accounted for 33% of total imports and grew 20% compared to the previous year. The most important products were clothing, footwear, and foodstuffs.

Capital goods, which make up 21% of imports, had a 27% year-on-year increase. This category includes vehicles such as tractors for agricultural production, computers and machinery and equipment.

The most important import item this year, as in the previous year, was **vehicles**. Imports amounted to USD 1,079 million, a 28% increase compared to last year. Of this figure, 44% were cars, 31% freight transport, and 18% tractors. Of the total, 60% came from Mercosur, mainly from Brazil, which accounted for 51% of total vehicle purchases this year. It was followed by China and Argentina with 14% and 8% shares, respectively.

The **agrochemicals item** also increased in 2022. It went from USD 660 million in 2021 to USD 991 million in 2022. The item is made up of 67% of fertilizers and chemical fertilizers, while the remaining 33% is made up of insecticides. This sharp increase of 50% year-on-year was mainly

explained by the increase in fertilizer¹¹ prices caused by several factors, among them the high energy prices worldwide. China accounted for 24% of this item, followed by Nigeria, which grew 540% year-on-year.

Food imports increased by 16% year-on-year, ending the year at USD 615 million. In this item, grains (15%), biscuits (11%) and yerba mate (11%) stood out. Mercosur was the main source of these imports, with 74% coming from Argentina (39% of the total), Brazil (34% of the total) and Paraguay (1% of the total). The rest came from European Union countries (6%), the United States (5%) and Mexico (3%), among others.

Clothing and footwear also grew as an import item in 2022. This was the fifth most important item and reached USD 525 million, increasing by 26% compared to 2021. China was the most prevalent origin with 46%, followed by Brazil and Bangladesh, with 16% and 8%, respectively.

Technology goods such as cell phones and computers were imported for a total of USD 486 million in 2022, 15% higher than the previous year. Smartphones accounted for 65% of this item. The main origin of technology goods imports was China with 69%, followed by Vietnam with 11% and the United States with 7%.

Plastics was the only large item with a drop in year-on-year terms. It fell by 0.25%, totaling USD 447 million. Brazil was the main origin with

29% of total imports, followed by Argentina with 17% and China with 15%.

Table No. 3
Uruguayan Imports of Goods

Products	Mill. USD	Var. (%)	Share (%)
Vehicles	1,079	28%	10%
Agrochemicals	991	50%	9%
Food	615	16%	6%
Clothing	525	26%	5%
Technology	486	16%	4%
Plastics	447	-0.25%	4%
Auto parts	432	38%	4%
Chemicals	414	11%	4%
Pharmaceuticals	380	22%	3%
Paints and varnishes	239	23%	2%
Total	10,942	22%	

Source: Uruguay XXI with DNA data.

Brazil was, as in 2022, the main origin of Uruguayan imports. A total of USD 2,560 million was imported from the neighboring country, that is, 23% of total imports. Imports with Brazil grew 25% compared to the previous year. The main item imported from Brazil was vehicles for USD 548 million, followed by foodstuffs for USD 210 million.

China was the second most important origin for Uruguayan imports in 2022. China accounted for 21% of total imports and these imports grew 18% year-on-year. Total imports amounted to USD 2,352 million. Among these purchases were technology goods for USD 325 million,

¹¹ [Evolución de los mercados mundiales de fertilizantes - FAO](#)

agrochemicals for USD 242 million and clothing and footwear for USD 243 million.

From **Argentina**, which was the third largest source of imports, 13% of the total was imported. This figure reached USD 1,422 million in 2022, representing a growth of 11% compared to the previous year. Some outstanding items were foodstuffs for USD 242 million, animal feed for USD 124 million and vehicles for USD 89 million.

The fourth origin with a total of 6% of Uruguayan imports was the **United States**. Among the USD 656 million, plastics were imported for USD 60 million, agrochemicals for USD 56 million and other chemicals for USD 474 million.

EXPORTS OF SERVICES

GLOBAL EXPORTS

With the relaxation of restrictive measures due to the health crisis, global exports of services recovered more strongly in 2022. According to the latest data published by the WTO¹², in the first half of 2022 global exports of services grew 17% in the year-on-year comparison, totaling USD 6 billion.

Tourism and transportation were the main drivers of these sales in 2022. Trade in services was hit hard by the coronavirus health crisis, mainly due to border closure measures that held back tourism sales for much of 2020 and 2021. In the face of improved restrictions, in the first half of 2022 global tourism exports recovered significantly with a year-on-year growth of 129%. Likewise, these figures remained at relatively low levels compared to 2019, prior to the pandemic.

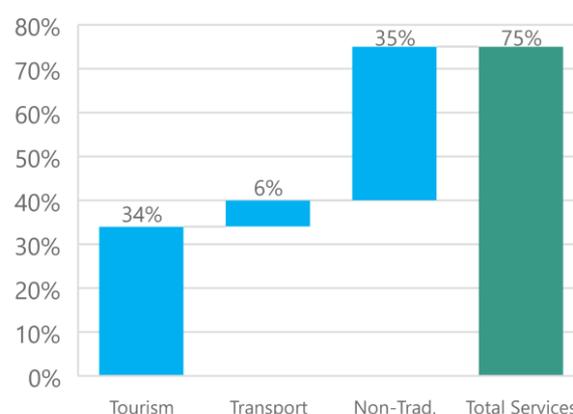
On the other hand, non-traditional services exports—excluding tourism and transportation—were more resilient to the health crisis and had grown in 2021 but showed a more limited increase of 2% in the first half of 2022. IT services grew 6% year-on-year and business services 4%, while insurance and pension services showed year-on-year declines of 7% and 4%.

URUGUAYAN EXPORTS OF SERVICES

Services exports in Uruguay evolved similarly to world trade. After more than a year with closed borders between March 2020 and November 2021,

tourism exports recovered in 2022. Unlike what happened in the world, in Uruguay, non-traditional services exports remained with a steady growth in 2022, significantly impacting the total variation of services sales to the rest of the world.

Chart No. 12 - Uruguayan Exports of Services - Incidence by Item
 Rolling Year as of Sep. 2022 - Year-on-Year Var.



Source: Uruguay XXI based on Central Bank of Uruguay. Thus, in the rolling year from October 2021 to September 2022, exports of services totaled USD 5,541 million and showed a 75% increase in the year-on-year comparison.

¹² <https://stats.wto.org/>

Table No. 4
Uruguayan Exports of Services
 Million USD and Year-on-Year % Var.

Service category	Rolling year to 2022.III	2022.I	2022.II	2022.III	
Traditional services	2,074	161%	193%	138%	171%
Travel	1,432	318%	348%	331%	357%
Transportation	642	42%	38%	36%	39%
Non-traditional services	3,467	46%	48%	40%	61%
Global services	3,326	48%	50%	42%	65%
Financial	375	55%	-12%	14%	106%
Intellectual property	60	55%	48%	38%	57%
Telecomm.	205	16%	6%	30%	19%
IT	1,267	66%	116%	92%	108%
Professional and consulting	1,235	33%	25%	12%	29%
Technical and other business	97	108%	134%	148%	123%
Personal, cultural, and recreational	87	75%	57%	60%	80%
Other non-traditional	141	9%	11%	12%	7%
Total Services	5,541	75%	86%	65%	89%

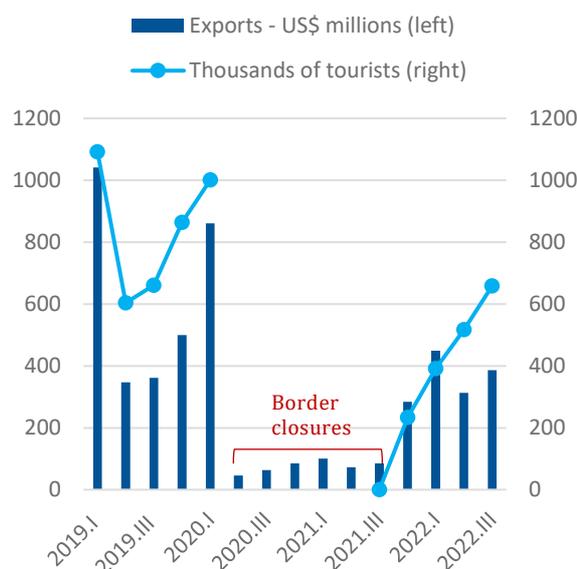
Note: Other non-traditional services include government-related services, construction, insurance and pension services, and maintenance and repair services.

Source: Central Bank of Uruguay.

The increase was largely due to the recovery of **traditional services**. Tourism exports rebounded since the borders were reopened in November 2021 and in the rolling year to September 2022 totaled USD 1,432 million. During that period, 1,802 tourists entered the country. Nevertheless, tourism remained below pre-pandemic levels. **Transportation** exports also recovered with

respect to 2021 and totaled USD 642 million in the rolling year to September 2022.

Chart No. 13 - **Tourism Exports**
 Quarterly Data



Source: Central Bank of Uruguay.

Non-traditional services exports continued to grow at a good pace in 2022, reaching USD 3,467 million in the rolling year to September. These sales were mostly of global export services for USD 3,326 million. The increase in exports was generalized at the item level, but sales of IT services stood out. These exports showed a strong rise since the second half of 2021 and became the largest item within global services, with USD 1,267 million in the rolling year to the third quarter of 2022¹³. Foreign sales of professional and consulting services also increased, totaling USD 1,235 million in the period under analysis.

¹³ According to the [Uruguayan Chamber of Information Technologies \(CUTI\) survey](#), sales in the IT sector reached USD 1,006 million in 2021.

Chart No. 14
Global Services Exports
 Quarterly Data – Million USD



Source: Uruguay XXI based on Central Bank of Uruguay.

EXTERNAL INSERTION: HIGHLIGHTS 2022

In 2022, Uruguay continued with its trade opening policy, while actively promoting the modernization and the aperture of Mercosur to the rest of the world.

In this international strategy context, in April 2022, Uruguay and Turkey agreed on the terms of reference for the start of an exploratory dialogue on the negotiations of an eventual Free Trade Agreement (FTA). Exchanges have taken place between the technical teams and work is well advanced, which suggests that this stage of the exploratory dialogue could soon be concluded. Turkey is one of the main destinations for live cattle exports and could be a potential market for meat product exports.

At the same time, priority continues to be given to launching FTA negotiations with China. A joint feasibility study, initiated in the last quarter of 2021, was concluded in July 2022.

On the other hand, in December 2022, Uruguay applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). With this application begins a process of negotiations and analysis that could conclude with Uruguay's commercial insertion in one of the world's most dynamic trade blocs. More information on Uruguay and the CPTPP can be

found in the latest monthly foreign trade report¹⁴. Efforts have already been made for the entry of Uruguayan products into CPTPP markets, particularly for the entry of beef.

Bilaterally with Brazil, a new trade agreement for products produced in free trade zones was signed in June 2022. This agreement eliminates tariffs on goods in free trade zones and expands the scope of previous agreements, both in terms of beneficiary products and the number of free trade zones included¹⁵.

The year 2022 was also an intense one for Mercosur. After several years of negotiation, member countries agreed in July on a reduction of the common external tariff (CET) for almost 6900 NCM codes. In addition to the same reductions, member states were allowed to reduce the applied import tariff for an additional group of items as set out in their respective national annexes¹⁶.

Another of the bloc's main events in trade matters was the conclusion, in principle, of negotiations between Singapore and Mercosur, the first agreement of this type that the regional bloc has reached with an Asian partner. Singapore is one of the most advanced economies in Southeast Asia and a member of the CPTPP¹⁷. After four years, negotiations were concluded in July 2022. Legal revision and translation work is currently underway, and the agreement is expected to be signed in 2023¹⁸.

¹⁴ [Monthly Foreign Trade Report - November 2022 - CPTPP - Uruguay XXI](#)

¹⁵ [Acuerdo con Brasil eliminará aranceles de mercaderías en zonas francas - Office of the President](#)

¹⁶ [Mercosur: reducción del Arancel Externo Común - Ministry of Economy and Finance \(MEF\)](#)

¹⁸ [Monthly Foreign Trade Report - July 2022](#)



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